HALF-YEAR FINANCIAL REPORT

June 30, 2020

TABLE OF CONTENTS

DECLARATION BY THE PERSON RESPONSIBLE FOR THIS DOCUMENT

I certify that, to the best of my knowledge, the condensed financial statements for the half-year ended have been drawn up in accordance with applicable accounting standards, and give a true and fair view of the assets and liabilities, financial position, and profits and losses of the Company, and of all the companies included in its scope of consolidation; and that the attached interim management report presents a true and fair view of the major events that took place in the first half of the year, their impact on the financial statements, the main related-party transactions, and a description of the main risks and uncertainties for the remaining six months of the year.

Issy-les-Moulineaux, July 21, 2020

Olivier Wigniolle

Chief Executive Officer

1

PERFORMANCE INDICATORS

1. Key indicators

Performance indicators

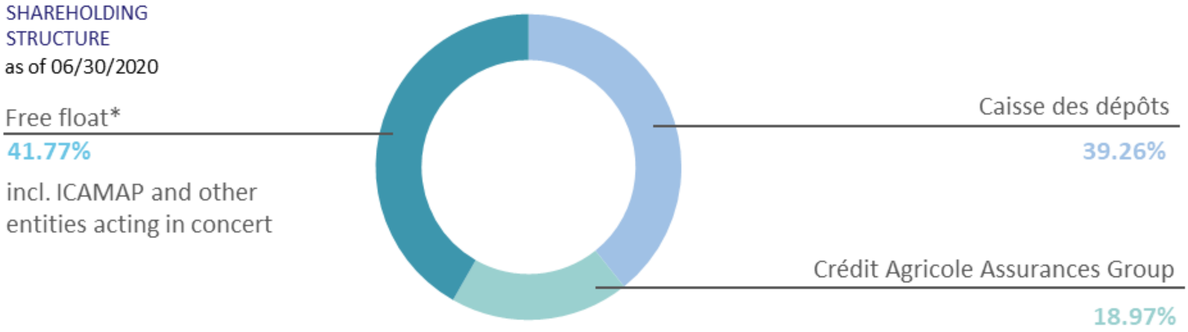
GROUP INDICATORS as of 06/30/2020				
	€2.30 per share (+3.1%) Adjusted EPRA earnings from Property Investment	€2.18 per share (-7.8%) Group NCCF	€92.2 per share (+1.2%)(1) EPRA NDV(2)	€14.4bn (+0.6%)(1) Portfolio value (excluding duties, on a full consolidation basis)
	€5.2m -89.0% Net profit attributable to the Group	1.49% -5 bps Average cost of debt	6.0 years (-0.4 year)(1) Average debt maturity	39.3% (+130 bps)(1) LTV ratio (value incl. duties)

OFFICE PROPERTY INVESTMENT	HEALTHCARE PROPERTY INVESTMENT	PROPERTY DEVELOPMENT
€175.0m (-1.3%) Net rental income (on a full consolidation basis)	€145.9m (+12.9%) Net rental income (on a full consolidation basis)	€300.4m (-23.0%) Economic revenue
93.6% (-132 bps) Net to gross rental income ratio	97.8% (-213 bps) Net to gross rental income ratio	€1.4bn (+11%)(1) Backlog
€102.7m (-2.3 %) Adjusted EPRA earnings (on a proportionate consolidation basis)	€67.3m (+12.5%) Adjusted EPRA earnings (on a proportionate consolidation basis)	-€11.9m (-186.2%) NCCF (on a proportionate consolidation basis)
5.8% Average net initial yield (on a proportionate consolidation basis, excluding duties)	5.7% Average net initial yield (on a proportionate consolidation basis, excl. duties)	€7.2bn (+1.7 %)(1) Total revenue potential(3)

(1) vs. 12/31/2019
(2) EPRA Net Disposal Value (NDV) (formerly, EPRA triple net asset value)
(3) Revenue excluding taxes on a proportionate consolidation basis, including backlog, contracts won, stock of units currently for sale and land portfolio (residential and office)

2. Share performance and shareholding structure

Benefiting from a strong shareholding structure, in particular with the Caisse des dépôts Group as its leading shareholder with a 39.2% stake and CAA, its second largest shareholder with 19%. Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (*société d'investissement immobilier cotée*, SIIC).



* Including 0.81% of treasury shares and 0.25% for Icade's "FCPE" employee-shareholding fund.

SHARE PERFORMANCE in 2020

CAPITALISATION
As of June 30, 2020
€4,621m

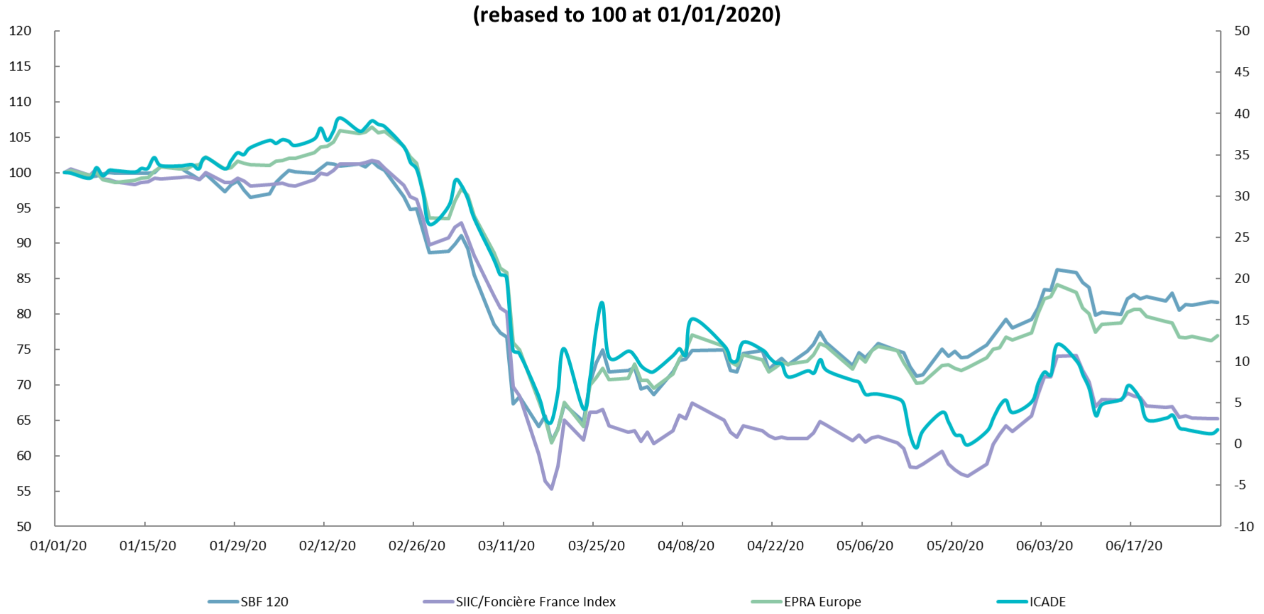
NUMBER OF LISTED SHARES
As of June 30, 2020
74,535,741

Market capitalisation of €4.6 billion at the end of June 2020 and a trading volume of 23,805,206 shares in H1 2020 (i.e. an average daily trading volume of 90,860 shares).

Icade's share price amounted to €62 as of June 30, 2020—down -36% compared to the end of 2019.

After reaching a high at €104 per share in February 2020 following its full-year results announcement, Icade's share price dropped substantially, following the same trend as its sector and the share market as a whole. As of the end of June, the share price was down 36%, in line with the EPRA France index.

Icade's share price vs. EPRA Europe, SFB 120 and SIIC from 01/01/2020 to 06/30/2020 (rebased to 100 at 01/01/2020)



3. 2020 Outlook

Due to the exceptional health crisis that started in March 2020 and after seven weeks of the near-total shutdown of the economy, **Icade has suspended its full-year guidance and priorities for 2020**.

Icade will provide more precise full-year objectives when it announces its Q3 2020 revenue on October 22, 2020.

This intervening period will also be used to analyse the impact of the pandemic on our multi-year goals and 2019–2022 Strategic Plan.

The Company remains focused on disciplined financial management and is committed to minimising the impact of the crisis.

Lastly, for financial year 2020, the Board of Directors has confirmed its dividend policy: "stable, in line with a payout ratio of about 90% of 2020 NCCF per share."

As a reminder, the 2020 priorities and full-year guidance announced in February were as followed:

2020 priorities:

- Continued execution of the Strategic Plan to 2022
- Office Property Investment: slowdown in disposals and stepped-up pipeline investments
- Healthcare Property Investment: further growth and international expansion
- Property Development: implementation of the 2020–2024 roadmap
- CSR: continued focus on low carbon
- Integrating our Purpose into all our activities.

FY 2020 guidance:

- In 2020, Group net current cash flow per share is expected to be slightly lower than in 2019. Excluding the impact of significant disposals completed in 2019, NCCF should grow by about +5.0% in 2020;
- 2020 dividend policy: Dividend up: Payout ratio of 90% of NCCF + distribution of part of the gains on 2019 disposals.

4. Events after the reporting period

- On July 7, 2020, Icade Promotion signed a letter of understanding with CDC Habitat with respect to volumes and prices for the sale of over 1,000 residential units representing revenue of €200.7 million excluding taxes (nearly €185.0 million excluding taxes on a proportionate consolidation basis). They will be located throughout France and combine social, intermediate and open-market housing. The final sale agreement for around half of these units is expected to be signed this year;

- Through its Healthcare Property Investment Division, the Icade Group signed preliminary agreements with ORPEA in July 2020 to acquire a portfolio of nine nursing homes (eight in Germany, one in France) for a total of €145 million including duties.

2 PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. H1 2020 highlights

A health crisis of unprecedented scope impacting the Icade Group's business from H1:

The real estate and construction sectors have been experiencing major disruptions since the end of Q1 2020 due to the Covid-19 crisis. The resulting regulations and guidelines, particularly the lockdown measures imposed by the French government and rigorously applied by Icade, caused major disruptions to some of the Group's activities.

- For the Property Development Division, 90% of construction sites were shut down during the lockdown period (mid-March to mid-May 2020). Home sales also suffered a sharp decline for several weeks. Construction site activity and sales of property developments gradually resumed from May 11 with the adoption of the prevention measures recommended by the government in the health and safety guidelines for construction companies. 172 projects had resumed activity by the end of June 2020. Despite this, the results as of June 30 of this business line were significantly affected;

- For the Office and Healthcare Property Investment Divisions, the operational and financial consequences of the crisis were as follows:
    - Concessions on/deferrals of Q2 2020 rents, resulting in an increase in trade receivables as of June 30, 2020. The impact on cash amounted to only €23 million as of June 30, 2020;
    - Waivers of Q2 2020 rent receivables for small businesses whose premises were closed by decree, thus contributing to the national solidarity effort (€2.2 million impact on earnings);
    - An average two-month shutdown of most construction projects in the development pipeline, resulting in a three- to four-month delay in asset completions expected to have only a marginal impact on the Company in 2020.
    - A sharp drop in office lettings secured by the Office Property Investment Division during the crisis;
    - A delay in carrying out our acquisition plan, especially for the Healthcare Property Investment Division.

- The Group made significant cash outlays during this period, but thanks to its solid balance sheet structure and a very strong pre-crisis cash position (over €600 million at the end of February), Icade was able to meet its requirements in this regard without drawing down revolving credit lines. During the crisis, Icade even negotiated an increase of nearly €400 million in these undrawn lines with its banking partners, thus significantly strengthening its liquidity position.

The Covid-19 outbreak has also led the Board of Directors to propose a reduced dividend of €4.01 per share (vs. €4.81 per share proposed when the results for 2019 were announced).

Furthermore, despite having undeniable advantages to weather this period, the severity of the crisis and the ensuing uncertainty led Icade to suspend, on March 23, its full-year guidance for 2020, which had been announced in February.

General Meeting and governance

The Combined General Meeting was held on April 24, 2020 behind closed doors, without the physical presence of the shareholders and other persons entitled to attend.

In accordance with the decision made by the Board of Directors on April 1, 2020, a gross cash dividend of €4.01 per share was set for the financial year 2019. A first interim dividend of €2.41 per share was paid on March 6, 2020. For the balance payment, a final dividend of €1.60 per share was paid on July 8, 2020 and shares went ex-dividend on July 6, 2020.

The resolution relating to Icade's Purpose was approved by over 99% of votes. As a result, it has been included in the preamble of our Articles of Association.

In addition, on April 24, 2020 the General Meeting:

- Ratified the co-option of Marianne LOURADOUR, Olivier FABAS and Laurence GIRAUDON, all three directors representing the Caisse des Dépôts Group;
- Reappointed Frédéric THOMAS, Georges RALLI, Marie-Christine LAMBERT, Florence PÉRONNAU and Laurence GIRAUDON as directors for four years.

Following the General Meeting, the Board of Directors unanimously:

- Reappointed Frédéric THOMAS as Chairman of the Board of Directors;
- Reappointed Florence PÉRONNAU as Vice-Chairwoman of the Board of Directors, who will also serve as Lead Independent Director.

Finally, given the current circumstances, the Board of Directors decided unanimously to waive any remuneration for both Board and Board Committee meetings held during the crisis.

Property Investment:

Office Property Investment: a resilient business despite the health crisis, with a dynamic recovery in lease signings and renewals.

Leases signed or renewed in H1 2020 represented close to 58,400 sq.m and annualised headline rental income of €14.7 million, bringing the Division's occupancy rate to 92.5%.

During Q2 in particular, and despite the health crisis, Icade carried out major rental transactions, notably:

- A nine-year lease with no break option signed electronically with Action Logement (2,274 sq.m of office space in the EKO Active building in Marseille);
- A lease signed with France Télévisions for 3,300 sq.m of office space in the Le Ponant building in the 15th district of Paris;
- Over 6,600 sq.m. leased in the Park View building in Villeurbanne (Lyon metropolitan area);
- A 12-year off-plan lease with no break option signed on June 16, 2020 with easyHotel for a 180-room hotel (4,000 sq.m) in the Portes de Paris business park in Aubervilliers (scheduled for completion in Q4 2022);
- A four-year lease with no break option signed on June 23, 2020 with Mediapro Sport France for 5,008 sq.m (office space and broadcasting studios) in the Portes de Paris business park.

In addition, in the first half of 2020, the Office Property Investment Division completed two assets from the development pipeline with a total floor area of 11,700 sq.m, fully let for a total rental income of €4.0 million.

The health crisis also led to negotiations with almost 35% of tenants (c. 8% of total rental income), mainly concerning the deferral of rent payments for Q2. The main proposed concessions translated into payments spread over six to nine months, depending on the case. Further negotiations are still underway on potential concessions in return for extensions of periods to first break or removal of break clauses. Icade has agreed to cancel Q2 rents for small businesses closed by decree (impact on rental income of less than 1%).

Lastly, for the full half-year, the main impact was the estimated cash flow mismatch of c. €10 million, which affected NCCF only minimally (less than €2 million).

Healthcare Property Investment: with a portfolio mainly concentrated on private acute care facilities, the healthcare business was highly active during the crisis. At the same time, rental income was solid, strongly supported by government measures.

Consequently, H1 rental income was up +15.4%, with no impact from the crisis which mainly affected cash as some rent payments were deferred to the end of June 2020.

These deferrals were part of Icade's efforts to support its tenants who were on the front line of this exceptional crisis. At the beginning of March, the Company decided to grant deferrals on Q2 rents, which became payable in arrears rather than in advance.

Moreover, by demonstrating its resilience, this asset class has emerged stronger from the crisis. Since the end of the lockdown in early May, investment activity has resumed very quickly, with new projects currently being considered.

Property Development: business marked by an abrupt shutdown of construction sites from the start of the lockdown and a gradual recovery since mid-May.

The lockdown measures implemented on March 17, 2020 directly impacted the Property Development business, with 90% of construction sites brought to a halt, the signing of notarial deeds suspended and municipal elections postponed (impact on building permits).

Construction site activity has gradually resumed since mid-April in compliance with the rules set out in the OPPBTP health and safety guide. Almost all construction sites had resumed activity by May 15, 2020, albeit at a slower pace than before the crisis due to the health and safety measures and the gradual resumption of supplies.

H1 financial results, in line with the results expected for the full year, were significantly impacted by the crisis, especially as slower progress made on projects resulted in lower revenue recognition. Revenue was deferred by several months to subsequent years.

During this turbulent period, Icade Promotion nonetheless strove to continue business as usual through the signing of the following leases:

- Two major contracts awarded for healthcare and public infrastructure projects:
  - With Rennes University Hospital for the construction of over 50,000 sq.m of medical space
  - With UNESCO for the complete overhaul of a 16,000-sq.m building designed by Jean Prouvé and Bernard Zehrfuss
- Off-plan sale agreement signed with the GMG Group/Brookfield for the first phase of the Ecla Campus residence in Villejuif, representing €80.3 million excluding taxes and 636 units. This new generation student residence will be home to students, researchers and young workers and will offer state-of-the-art services and digital facilities;
- On June 11, 2020, Icade Promotion and Cofinance signed an off-plan sale agreement for around €20 million, excluding taxes, for the construction of the Totem building in Villeurbanne (Lyon metropolitan area);

- On June 29, 2020, Icade Promotion signed an off-plan sale agreement worth €109 million, excluding taxes, with Primonial REIM for Urban Ivry, a 25,000-sq.m mixed-use complex in Ivry-sur-Seine. The complex is scheduled for completion at the start of Q4 2022;
- 2,181 housing orders signed during the period (-2.7% compared to H1 2019).

Increased backup lines of credit, secured credit lines in excess of €2 billion and a solid financial structure that will help Icade weather the storm:

On April 21, 2020, Icade signed a new seven-year green credit facility for €300 million replacing lines maturing in 2020 for €290 million. Despite the ongoing health crisis, Icade's teams have worked hard to finalise the attractive and innovative financial terms of this first green RCF, which are contingent upon achieving one of Icade's priority CSR objectives, namely reducing CO_2 intensity.

On June 17, 2020, Icade also signed a new five-year €150 million solidarity-based revolving credit line. It includes a mechanism by which the banks waive part of their remuneration. These funds, combined with those donated by Icade for the same amount, will be allocated from June 2020 to research on Covid-19 vaccines carried out by Institut Pasteur.

Three other credit lines were also secured with Icade's other partner banks ranging from €50 million to €150 million. The €150 million credit line replaced an earlier €90 million line.

These new five-year revolving credit facilities have brought Icade's secured credit lines to over €2 billion, covering nearly four years of debt principal and interest payments.

Other highlights:

One year after its successful launch, Icade's start-up studio Urban Odyssey announced that it would competitively select entrepreneurs to co-create five start-ups that address the challenges of tomorrow's cities.

1.2. Income and cash flow statements

KEY FIGURES AS OF JUNE 30, 2020: Continued momentum for the Property Investment Divisions with higher adjusted EPRA earnings; lower net current cash flow and net profit attributable to the Group due to the first impacts of the health crisis.

	06/30/2020	06/30/2019	Change /reported (%)
Adjusted EPRA earnings from Property Investment (in €m)	**170.0**	**164.9**	**+3.1%**
Adjusted EPRA earnings from Property Investment per share	**2.30**	2.23	+3.1%
Net current cash flow from Property Investment (in €m)	**174.8**	**169.8**	**+3.0%**
Net current cash flow from Property Investment per share	2.36	2.29	+3.0%
Net current cash flow from Property Development (in €m)	**(11.9)**	**13.8**	**-186.2%**
Net current cash flow from Property Development per share	(0.16)	0.19	-186.3%
Other (in €m)	**(1.7)**	**(8.8)**	**-81.1%**
Group net current cash flow (in €m)	**161.3**	**174.9**	**-7.8%**
Group net current cash flow per share	2.18	2.36	-7.8%
Net profit/(loss) attributable to the Group (in €m)	**5.2**	**47.0**	**-89.0%**

	06/30/2020	12/31/2019	Change (%)
EPRA NDV per share	**€92.2**	**€91.1**	**+1.2%**
Average cost of drawn debt	**1.49%**	**1.54%**	**-5 bps**
LTV ratio (including duties)	**39.3%**	**38.0%**	**+130 bps**

1.2.1. Summary IFRS consolidated income statement

	06/30/2020	06/30/2019	Change	Change (%)
Revenue	**622.0**	**678.5**	**(56.6)**	**(8.3%)**
EBITDA	**271.5**	**287.3**	**(15.8)**	**(5.5%)**
Operating profit/(loss)	**75.6**	**136.6**	**(60.9)**	**(44.6%)**
Finance income/(expense)	**(53.6)**	**(66.2)**	**12.7**	**(19.1%)**
Net profit/(loss)	**24.0**	**66.9**	**(42.8)**	**(64.1%)**
NET PROFIT/(LOSS) attributable to the Group	**5.2**	**47.0**	**(41.8)**	**(89.0%)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in euros per share after dilution)	**0.07**	**0.63**	**(0.56)**	**(89.0%)**
Non-current items (a)	**(156.1)**	**(127.9)**	**(28.2)**	**22.0%**
GROUP NET CURRENT CASH FLOW	**161.3**	**174.9**	**(13.6)**	**(7.8%)**

(a) "Non-current items" include depreciation charges, gains or losses on disposals, fair value adjustments to financial instruments, and other non-current items.

The Icade Group's revenue fell by -8.3% due to the combined effects of the following:

- A marked increase in gross rental income for the Healthcare Property Investment Division due to the acquisitions made in H2 2019;
- Stable gross rental income for the Office Property Investment Division, despite the very significant disposals made in H2 2019;
- A -22% fall in revenue for the Property Development Division as a result of the Covid-19 health crisis (impact of construction site shutdowns on percentages of completion).

The Icade Group's operating profit was strongly impacted by the health crisis, mainly as a result of the following:

- A decrease in operating margins for the Property Development Division (primarily a volume effect on revenue);
- The recognition of exceptional inefficiency costs of €1.7 million in connection with the resumption of activity at the Property Development Division's construction sites;
- Rent waivers of €2.2 million granted to small businesses closed by decree;
- Net impairment losses of -€10 million on the assets of the Property Investment Divisions (vs. net reversals of provisions of +€25 million in H1 2019) due to slight decreases in the value of their portfolio (only a few assets experienced a decline in their value);
- €0.4 million in costs incurred to implement health and safety measures for Group employees.

As a result, net profit/(loss) attributable to the Group for H1 2020 stood at €5.2 million, down -€41.8 million on H1 2019.

1.2.2. Group net current cash flow

Group net current cash flow reflects the operating and financial performance of the Office Property Investment, Healthcare Property Investment and Property Development Divisions. The Group's dividend policy is based on this indicator. It primarily comprises the following two items:

- Net current cash flow from Property Investment, which is calculated based on "Adjusted EPRA earnings from Property Investment", an earnings indicator for the Office Property Investment and Healthcare Property Investment activities in accordance with EPRA recommendations (European Public Real Estate Association). The difference between NCCF and adjusted EPRA earnings is primarily due to depreciation charges on operating assets; and
- Net current cash flow from Property Development, which measures the cash flow from Property Development activities.

Group net current cash flow stood at €161.3 million (€2.18 per share) as of June 30, 2020 vs. €174.9 million as of June 30, 2019 (€2.36 per share), a -7.8% change.

This change resulted from the impact of the Covid-19 crisis on the Property Development business from mid-March 2020 (construction site shutdowns, impact on percentages of completion).

Adjusted EPRA earnings from Property Investment rose by 3.1% to **€170 million**. The Healthcare Property Investment Division's contribution continued its upward trend to nearly 42% of Group NCCF as of the end of June.

1.2.3. Summary segment information

As of June 30, 2020, segment reporting is divided into four main categories: Office Property Investment, Healthcare Property Investment, Property Development and "Other".

	06/30/2020				06/30/2019				Change 2020 vs. 2019	
(in millions of euros)	Adjusted EPRA earnings from Property Investment	%	NCCF	%	Adjusted EPRA earnings from Property Investment	%	NCCF	%	Adjusted EPRA earnings from Property Investment	NCCF
Office Property Investment	102.7	60.4%	107.5	66.7%	105.0	63.7%	110.0	62.9%	(2.3%)	(2.2%)
Healthcare Property Investment	67.3	39.6%	67.3	41.8%	59.9	36.3%	59.9	34.2%	12.5%	12.5%
Total Property Investment (a)	170.0	100.0%	174.8	108.4%	164.9	100.0%	169.8	97.1%	3.1%	3.0%
Property Development			(11.9)	(7.4%)			13.8	7.9%		(186.2%)
Other (b)			(1.7)	(1.0%)			(8.8)	(5.0%)		(81.1%)
TOTAL GROUP			161.3	100.0%			174.9	100.0%		(7.8%)
TOTAL GROUP **(in € per share)**	**2.30**		**2.18**		**2.23**		**2.36**		**3.1%**	**(7.8%)**

(a) "Adjusted EPRA earnings" includes the depreciation of operating assets which are excluded from net current cash flow.
(b) "Other" includes "Intersegment transactions and other items", as well as discontinued operations.

1.3. EPRA reporting as of June 30, 2020

Icade presents below all its performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. These are all leading indicators for the property investment industry.

The following indicators are presented in the next pages:

- EPRA net asset value;
- Adjusted EPRA earnings from Property Investment;
- EPRA yield;
- EPRA vacancy rate;
- EPRA cost ratio from Property Investment.

1.3.1. EPRA net asset value as of June 30, 2020

EPRA net asset value measures the value of the Company based on changes in equity and changes in value of asset portfolios, liabilities and property development companies.

Following extensive discussions with the other EPRA members over the past two years, new recommendations were issued in October 2019 that introduced changes in the way NAV is calculated. EPRA NAV metrics were adjusted to provide more relevant information on the fair value of the assets and liabilities.

Three calculation methods were chosen:

- A NAV that represents the shareholders' net assets under a disposal scenario: EPRA Net Disposal Value (NDV);
- A NAV that assumes that entities buy and sell assets: EPRA Net Tangible Assets (NTA);
- A reinstatement NAV: EPRA Net Reinstatement Value (NRV).

The Icade Group's EPRA NDV totalled €6,823.3 million (€92.2 per share), up +€76.3 million (i.e. +1.2%) compared to December 31, 2019, mainly due to the change in fair value of fixed rate debt over the period while property values were stable or very slightly down depending on the asset.

The Icade Group's EPRA NTA amounted to €7,017.8 million (€94.9 per share). It reflects the value of Icade excluding changes in fair value of financial instruments.

Lastly, the Icade Group's EPRA NRV stood at €7,581.3 million as of June 30, 2020 (€102.5 per share).

Presentation of new EPRA NAV metrics for three periods including two comparative periods

		06/30/2020	12/31/2019	06/30/2019
Consolidated equity attributable to the Group	(1)	**2,858.8**	**3,168.7**	**2,841.6**
Amounts payable to shareholders [(a)]	(2)	119.3	0.0	171.4
Impact of dilution from securities entitling their holders to	(3)	0.0	0.2	0.0
Unrealised capital gains on property assets and property development companies	(4)	3,884.8	3,823.1	3,766.0
Tax on unrealised capital gains	(5)	(11.3)	(13.3)	(10.6)
Other goodwill	(6)	(2.9)	(2.9)	(2.9)
Remeasurement gains or losses on fixed rate debt	(7)	(25.4)	(229.0)	(159.0)
EPRA NDV (Net Disposal Value)	**(8) = (1)+(2)+(3)+(4)+(5)+(6)+(7)**	**6,823.3**	**6,746.9**	**6,606.5**
EPRA NDV per share (in €)	***(8)/N***	***92.2***	***91.1***	***89.3***
Change during the half-year		***1.2%***	***2.1%***	
Year-on-year change		***3.3%***		
Adjustment for tax on unrealised capital gains	(9)	11.3	13.3	10.6
Intangible fixed assets	(10)	(20.0)	(19.5)	(11.0)
Optimisation of transfer tax on the fair value of property assets	(11)	124.5	111.3	94.2
Adjustment for remeasurement gains or losses on fixed rate debt	(12)	25.4	229.0	159.0
Adjustment for remeasurement gains or losses on interest rate hedges	(13)	53.4	35.4	46.4
EPRA NTA (Net Tangible Assets)	**(14) = (8)+(9)+(10)+(11)+(12)+(13)**	**7,017.8**	**7,116.4**	**6,905.7**
EPRA NTA per share (in €)	***(14)/N***	***94.9***	***96.1***	***93.3***
Change during the half-year		***(1.3%)***	***3.0%***	
Year-on-year change		***1.6%***		
Other goodwill	(15)	2.9	2.9	2.9
Adjustment for intangible fixed assets	(16)	20.0	19.5	11.0
Adjustment for the optimisation of transfer tax on the fair value of property assets	(17)	(124.5)	(111.3)	(94.2)
Transfer tax on the fair value of property assets	(18)	665.1	644.6	687.0
EPRA NRV (Net Reinstatement Value)	**(19) = (14)+(15)+(16)+(17)+(18)**	**7,581.3**	**7,672.1**	**7,512.4**
EPRA NRV per share (in €)	***(19)/N***	**102.5**	**103.6**	**101.5**
Change during the half-year		***(1.1%)***	***2.1%***	
Year-on-year change		***0.9%***		
NUMBER OF FULLY DILUTED SHARES [(c)]	*N*	73,986,939	74,029,822	73,978,962

(a) Final dividend for financial year 2019 paid in July 2020.

(b) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares that can be obtained from the stock options exercisable at the end of the period.

(c) Stood at 73,986,939 as of June 30, 2020, after cancelling treasury shares (-603,541 shares) and the positive impact of dilutive instruments (+54,739 shares).

Bridge between the previous and new EPRA NAV metrics for both comparative periods

	12/31/2019					06/30/2019				
	New indicators			Former indicators		New indicators			Former indicators	
	EPRA NDV	EPRA NTA	EPRA NRV	EPRA NNNAV	EPRA NAV	EPRA NDV	EPRA NTA	EPRA NRV	EPRA NNNAV	EPRA NAV
Consolidated equity attributable to the Group	**3,168.7**	**3,168.7**	**3,168.7**	**3,168.7**	**3,168.7**	**2,841.6**	**2,841.6**	**2,841.6**	**2,841.6**	**2,841.6**
Amounts payable to shareholders [(a)]	0.0	0.0	0.0	0.0	0.0	171.4	171.4	171.4	171.4	171.4
Impact of dilution from securities entitling their holders to shares in the Company [(b)]	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Unrealised capital gains on property assets and property development companies	3,823.1	3,823.1	3,823.1	3,823.1	3,823.1	3,766.0	3,766.0	3,766.0	3,766.0	3,766.0
Tax on unrealised capital gains	(13.3)			(13.3)		(10.6)			(10.6)	
Adjustment for remeasurement gains or losses on interest rate hedges		35.4	35.4		35.4		46.4	46.4		46.4
Other goodwill	(2.9)	(2.9)				(2.9)	(2.9)			
Intangible fixed assets		(19.5)					(11.0)			
Remeasurement gains or losses on fixed	(229.0)			(229.0)		(159.0)			(159.0)	
Transfer tax on the fair value of property assets [(c)]		111.3	644.6				94.2	687.0		
EPRA NAV	**6,746.9**	**7,116.2**	**7,672.1**	**6,749.8**	**7,027.5**	**6,606.5**	**6,905.7**	**7,512.4**	**6,609.4**	**6,825.4**
EPRA NAV per share (in €)	***91.1***	***96.1***	***103.6***	***91.2***	***94.9***	***89.3***	***93.3***	***101.5***	***89.3***	***92.3***
Change during the half-year	*2.06%*	*2.98%*	*2.06%*	*2.05%*	*2.89%*					
Number of fully diluted shares [(d)]	*74,029,822*					*73,978,962*				

(a) As of June 30, final dividend for financial year 2018 paid in July 2019.

(b) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares that can be obtained from the stock options exercisable at the end of the period.

(c) EPRA NTA includes the optimisation of transfer tax on the fair value of property assets while EPRA NDV includes the entire transfer tax on the fair value of property assets.

(d) Stood at 74,029,822 as of December 31, 2019 (after cancelling treasury shares (-594,031 shares) and the positive impact of dilutive instruments (+ 88,112 shares)) and at 73,978,962 as of June 30, 2019 (after cancelling treasury shares (-633,937 shares) and the positive impact of dilutive instruments (+77,158 shares)).

1.3.2. Adjusted EPRA earnings from Property Investment

Adjusted EPRA earnings from Property Investment measure the performance of the recurring (current) operations of the Office Property Investment and Healthcare Property Investment Divisions.

(in millions of euros)		**06/30/2020**	**06/30/2019**	**Change 2020 vs. 2019 (%)**
	NET PROFIT/(LOSS)	**24.0**	**66.9**	
	Net profit/(loss) from other activities (a)	(15.6)	8.3	
(a)	**NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT**	**39.6**	**58.6**	
(i)	Changes in value of investment property and depreciation charges	(183.0)	(139.8)	
(ii)	Profit/(loss) on asset disposals	1.4	4.0	
(iii)	Profit/(loss) from acquisitions	(0.4)	-	
(iv)	Tax on profits or losses on disposals and impairment losses			
(v)	Negative goodwill / goodwill impairment		-	
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	3.7	(9.5)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	-	-	
(ix)	Adjustment for equity-accounted companies	(7.3)	(7.5)	
(x)	Non-controlling interests	58.7	47.8	
(b)	**TOTAL ADJUSTMENTS**	**(126.9)**	**(105.1)**	
(a-b)	**EPRA EARNINGS**	**166.5**	**163.6**	**1.8%**
(c)	Other non-recurring items	(3.5)	(1.3)	
(a-b-c)	**ADJUSTED EPRA EARNINGS FROM PROPERTY INVESTMENT**	**170.0**	**164.9**	**3.1%**
	Average number of diluted shares outstanding used in the calculation	73,993,018	74,025,738	
	ADJUSTED EPRA EARNINGS FROM PROPERTY INVESTMENT IN € PER SHARE	**€2.30**	**€2.23**	**3.1%**

(a) "Other activities" include property development, "Intersegment transactions and other items", as well as discontinued operations.

Adjusted EPRA earnings from Property Investment totalled €170.0 million as of June 30, 2020, up +3.1% compared to June 30, 2019. This increase was driven by strong operational performance in both Office and Healthcare Property Investment (see segment information).

1.3.3. EPRA yield

The table below presents the adjustments to Icade's net yields that are required to obtain EPRA yields. The calculation takes into account all office and healthcare properties in operation. It is carried out after adjustment for non-controlling interests.

	06/30/2020	12/31/2019	06/30/2019
ICADE NET YIELD [a]	**5.8%**	**5.8%**	**5.7%**
Impact of estimated duties and costs	(0.3)%	(0.3)%	(0.3)%
Adjustment for potential rental income from vacant properties	(0.3)%	(0.3)%	(0.3)%
EPRA TOPPED-UP NET INITIAL YIELD [b]	**5.1%**	**5.1%**	**5.1%**
Inclusion of rent-free periods	(0.4)%	(0.4)%	(0.5)%
EPRA NET INITIAL YIELD [c]	**4.8%**	**4.7%**	**4.6%**

(a) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, excluding lease incentives, divided by the appraised value (excluding duties) of operating properties.

(b) Annualised net rental income from leased space, excluding lease incentives, divided by the appraised value (including duties) of operating properties.

(c) Annualised net rental income from leased space, including lease incentives, divided by the appraised value (including duties) of operating properties.

The EPRA net initial yield was slightly up compared to December 31, 2019. The slight decompression in EPRA net initial yield (+0.1 pp over the 6-month period) was mainly due to estimated declines in the index-linked rent reviews used in calculating appraised values as a result of the health crisis.

1.3.4. EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the whole portfolio. Properties under development are not included in the calculation of this ratio.

Below are detailed figures concerning the vacancy rate, in accordance with the definition recommended by EPRA, for the Office and Healthcare Property Investment portfolios after adjustment for non-controlling interests.

	06/30/2020	12/31/2019	06/30/2019
Office assets	4.1%	4.2%	8.3%
Business parks	16.4%	16.3%	10.6%
OFFICE PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	**8.3%**	**8.3%**	**8.4%**
HEALTHCARE PROPERTY INVESTMENT (ON A PROPORTIONATE CONSOLIDATION BASIS)	**0.0%**	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	**5.7%**	**5.9%**	**6.3%**

The EPRA vacancy rate improved to 5.7%, down -0.2 pp from December 31, 2019.

For the Office Property Investment Division, this rate was stable at 8.3% as Icade's teams remained proactive throughout the crisis to ensure that negotiations continued. This allowed Icade to sign some very significant leases in H1 (see page 13).

The Healthcare Property Investment Division's EPRA vacancy rate stood at 0% as all its facilities in operation were leased on long-term contracts.

1.3.5. EPRA cost ratio for the Property Investment Division

Below are detailed figures concerning the cost ratio, in accordance with the definition recommended by EPRA, for the Office (excluding Residential Property Investment) and Healthcare Property Investment portfolios after adjustment for non-controlling interests.

(in millions of euros)		06/30/2020	06/30/2019
	Including:		
	Structural costs and other overhead expenses	(50.2)	(50.0)
	Service charges net of recharges to tenants	(16.3)	(5.0)
	Other recharges intended to cover overhead expenses	16.6	17.9
	Share of overheads and expenses of equity-accounted companies	(3.4)	(3.5)
	Share of overheads and expenses of non-controlling interests	6.0	3.6
	Excluding:		
	Ground rent costs	0.0	0.0
	Other service charges recovered through rents but not separately invoiced		
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(47.3)	(37.1)
	Less: direct vacancy costs	(9.4)	(7.7)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(38.0)	(29.4)
	Gross rental income less ground rent costs	334.9	309.6
	Plus: share of gross rental income less ground rent costs of equity-accounted companies	3.8	3.3
	Share of gross rental income less ground rent costs of non-controlling interests	(75.6)	(59.7)
(C)	GROSS RENTAL INCOME	263.2	253.3
(A/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)**	**18.0%**	**14.6%**
(B/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)**	**14.4%**	**11.6%**

It should firstly be noted that Icade has one of the lowest EPRA cost ratios in its sector.

As of June 30, 2020, the EPRA cost ratio was up compared to June 30, 2019 due to the crisis:

- +3.4 pps including vacancy costs;
- +2.8 pps excluding vacancy costs.

This change was mainly the result of:

- Stable structural costs year-on-year (-€50.2 million) reflecting the Group's strong efforts to control operating costs. However, these efforts were partly offset by an inevitable increase in costs incurred by the Healthcare Property Investment Division in pursuing its expansion plans. These data include the extraordinary costs generated by the Covid-19 crisis estimated at nearly €2.6 million for H1 2020.

- An increase in service charges net of recharges to tenants to -€16.3 million (+€11.3 million on H1 2019) due to:
  - Early termination payments received in 2019 for €5.5 million (sale of two private healthcare facilities);
  - Waivers of rent receivables granted to small businesses totalling €2.2 million;
  - A €1.7 million increase in vacancy costs for operating assets (lease only started on June 30, 2020 for the Pulse building which was completed earlier in H1 2019).

After adjustment for exceptional items (early termination payments, Covid-19 costs), the EPRA cost ratio would be slightly up at:

- +1.1 pp including vacancy costs;
- +0.6 pp excluding vacancy costs.

1.4. Financial resources

The emergence of the Covid-19 crisis in H1 2020 has roiled financial markets, especially money markets. The sudden shutdown of the economy impacted the liquidity of companies for several weeks and led to the abrupt two-week closure of the NEU Commercial Paper money market for the first time in its history. The intervention of the European Central Bank through France's central bank (Banque de France) enabled the market to gradually get back to business. Its liquidity and transaction volumes are now back to pre-crisis levels.

Thanks to its solid fundamentals and close long-term banking relationships, the Icade Group has continued to easily access liquidity on favourable terms and confirmed its ability to raise more funds if necessary. In the face of this unprecedented crisis, Icade has sought to bolster its financial capacity by increasing bank revolving credit facilities. As a result, between December 31, 2019 and June 30, 2020, the outstanding amount of RCFs increased from €1,740 million to €2,110 million.

The Company has been able to react very effectively to the health crisis and carried out a number of significant transactions during the half-year:

- Outstanding revolving credit facilities increased by €370 million (€750 million in new five- to seven-year credit lines and cancellation of €380 million in lines maturing in 2020), in particular through:
    - A seven-year €300 million green RCF replacing lines totalling €290 million before their maturity. The innovative financial terms are based on a 45% target reduction in the carbon intensity of the Office Property Investment Division between 2015 and 2025. If the objective is not achieved, the additional cost will be paid to an association having a positive impact on the environment;
    - A five-year €150 million solidarity-based RCF with a mechanism by which the banks waive part of their remuneration. These funds, combined with those donated by Icade for the same amount, will be allocated to research on Covid-19 vaccines carried out by Institut Pasteur.
- A €364 million increase in outstanding NEU Commercial Paper to €805.0 million as of June 30, 2020 despite the market being closed for some days and with interest rates remaining mostly negative or close to 0%.

All these transactions, combined with tighter cash management, allowed the Group to continue to implement an appropriate and optimised financial policy. It did not draw down on any of its RCFs during the period. The average cost of debt decreased during the period to a historical low of 1.49% while the average debt maturity remained at or above 6 years via access to diverse funding sources.

As a result, the fundamentals of Icade's liabilities remained strong in H1 2020. The Group enjoys good access to finance and comfortable liquidity.

1.4.1. Liquidity

In H1 2020, Icade's funding was optimised by a €363.9 million increase in the outstanding amount of NEU Commercial Paper as of June 30, 2020. Icade's credit quality allows the Company to issue short-term debt on very favourable terms.

In addition, Icade has a fully available undrawn amount from short- and medium-term revolving credit facilities of €2.1 billion. These undrawn amounts as of June 30, 2020 cover more than three years of debt principal and interest payments.

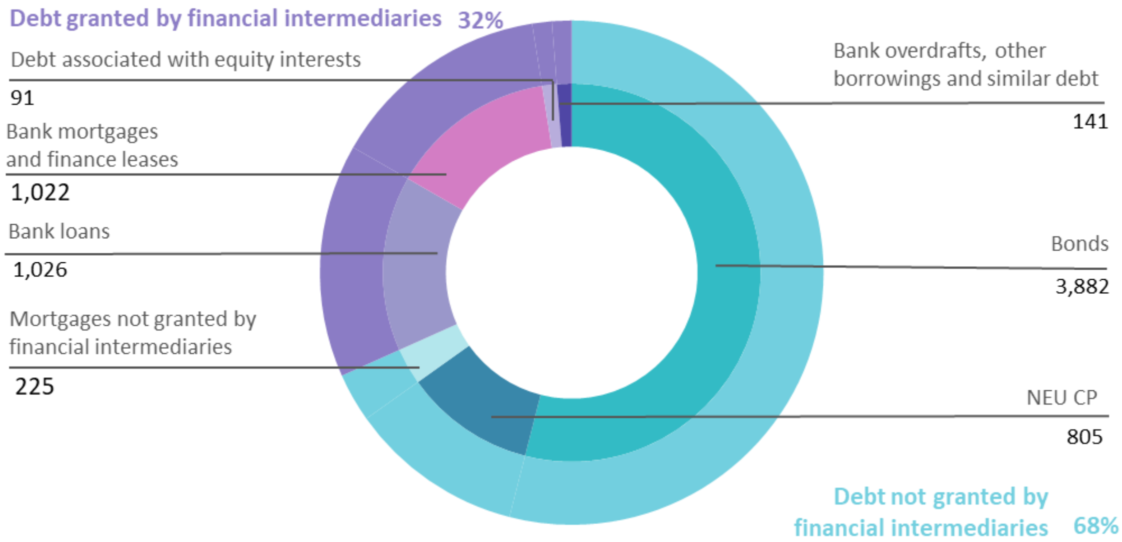
Throughout the first half of 2020, Icade had no need to draw down these credit lines and thus still has the entire undrawn amount at its disposal.

Icade's cash position also remained at a comfortable level throughout H1 2020 up to and including June 30, 2020, amounting to €895 million.

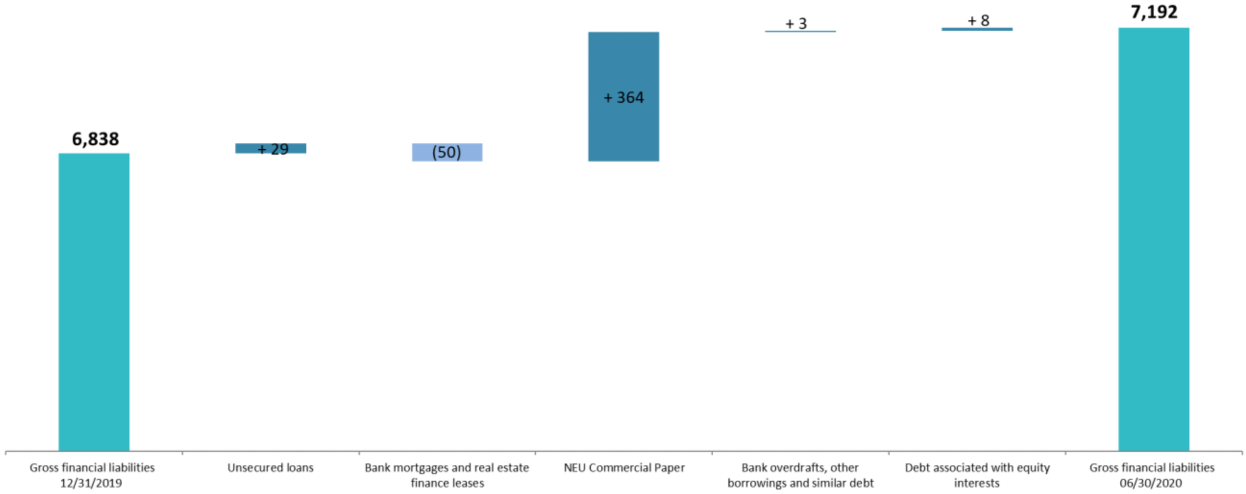
1.4.2. Debt structure as of June 30, 2020

1.4.2.1. Debt by type

As of June 30, 2020, gross financial liabilities stood at €7,191.7 million and broke down as follows:



As of December 31, 2019, gross financial liabilities amounted to €6,838.0 million. The €353.7 million change is explained in the following graph:



The change in gross financial liabilities between December 31, 2019 and June 30, 2020 was mainly explained by a €363.9 million increase in NEU Commercial Paper outstanding.

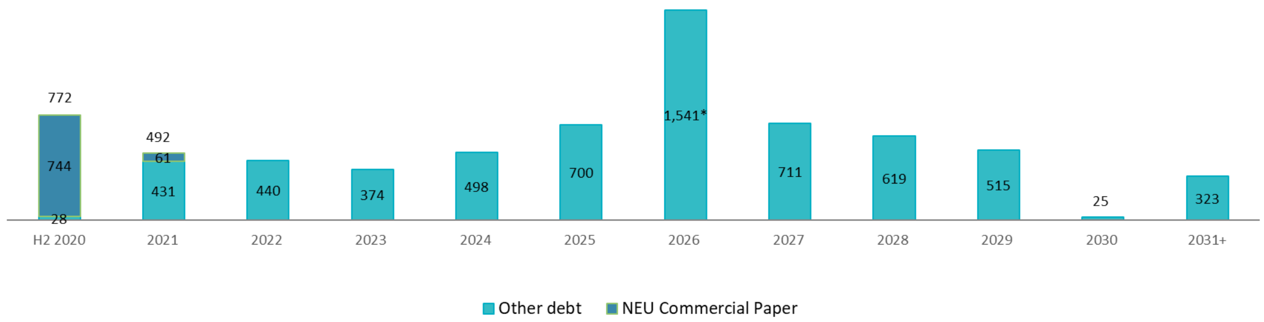
Net financial liabilities amounted to €6.3 billion as of June 30, 2020, representing an increase of €225.5 million compared to December 31, 2019, mainly due to the interim dividend paid in H1.

1.4.2.2. Debt by maturity

The maturity schedule of debt drawn by Icade (excluding overdrafts) as of June 30, 2020 shows well-balanced maturities, with no maturity that would have been too significant in the coming years, as shown in the graph below:

MATURITY SCHEDULE OF DRAWN DEBT

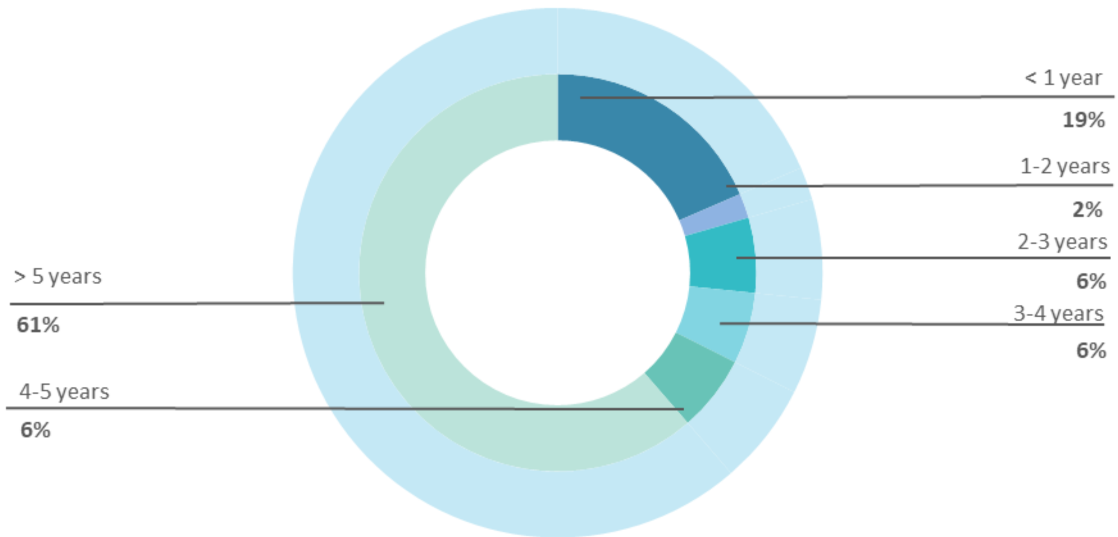
(June 30, 2020, in millions of euros)



*Including €440 million relating to the debt of Tour Eqho

BREAKDOWN OF DEBT BY MATURITY

(June 30, 2020)



The average debt maturity was **6.0 years as of June 30, 2020** (excluding NEU Commercial Paper). It stood at 6.4 years as of December 31, 2019.

1.4.2.3. Debt by division

After allocation of intra-group financing, almost 97% of the Group's debt is used by the Office and Healthcare Property Investment Divisions.

1.4.2.4. Average cost of drawn debt

In H1 2020, the average cost of debt was **1.34% before hedging** and 1.49% after hedging, compared with 1.37% and 1.54% respectively in FY 2019.

This reduction in average cost of debt between 2019 and H1 2020 was achieved through the proactive management of existing debt and interest rate hedges which were initiated in 2016 and have been rigorously managed each year since then.

1.4.2.5. Management of interest rate risk exposure

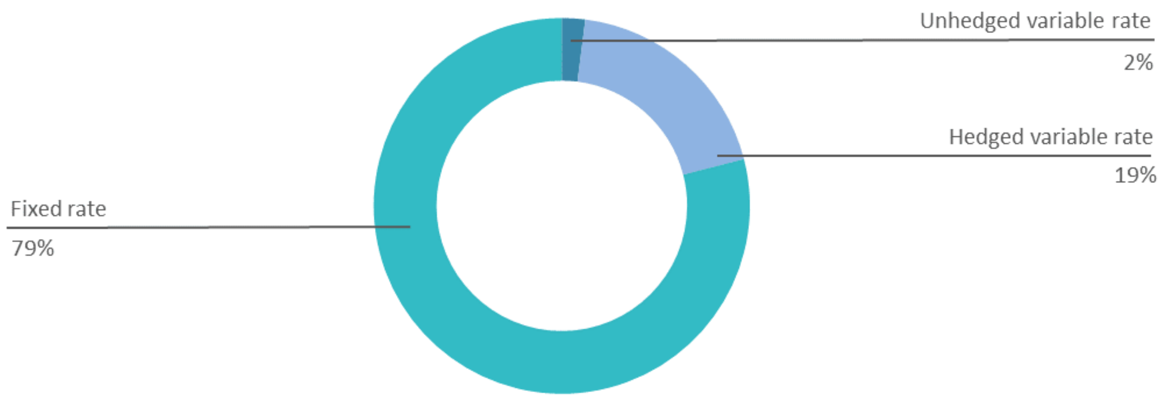
Variable rate debt represented nearly 21% of total debt as of June 30, 2020 (excluding payables associated with equity interests and bank overdrafts).

In H1 2020, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts (vanilla swaps).

As of June 30, 2020, **98% of debt was hedged against interest rate risk**.

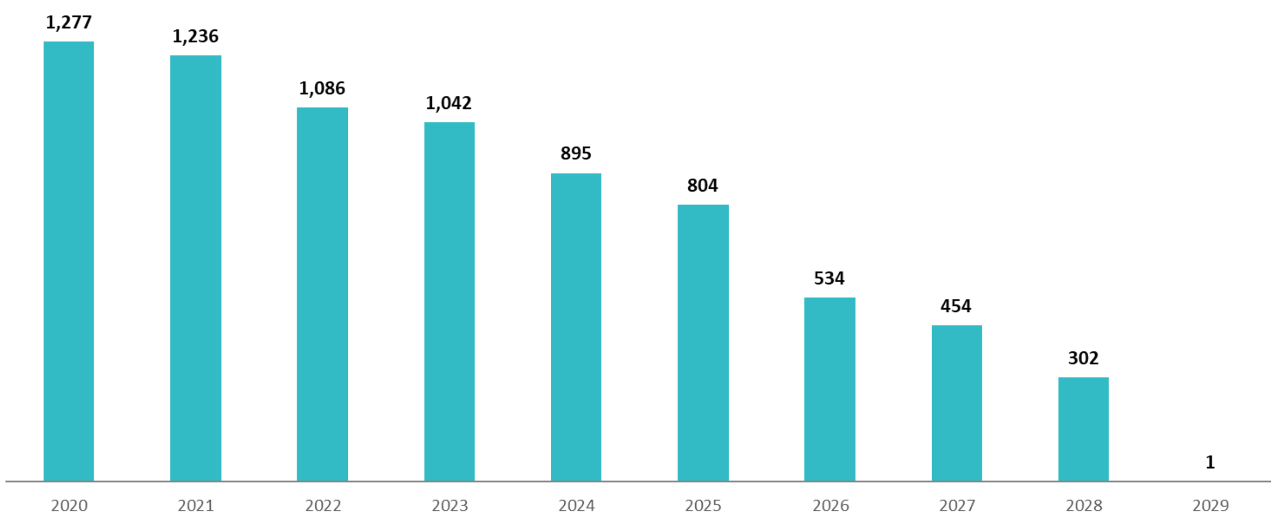
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING PAYABLES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(June 30, 2020)



OUTSTANDING HEDGING POSITIONS

(June 30, 2020, in millions of euros)



Most of the Group's debt is protected against an increase in interest rates (fixed rate debt or variable rate debt hedged by interest rate swaps or options). The notional amounts of hedging instruments are summarised in the graph above.

The average maturity of variable rate debt was 4.8 years and that of the associated hedges was 5.0 years.

1.4.3. Credit rating

Icade has been rated by the Standard & Poor's rating agency since September 2013.

After its annual review, in November 2019, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

In addition, Icade Santé, a subsidiary of the Icade Group, was assigned a first-time rating by Standard & Poor's in H2 2019. It obtained a rating of BBB+ with a stable outlook in October 2019, in line with the rating for the Icade Group as a whole.

1.4.4. Financial structure

1.4.4.1. Financial structure ratios

1.4.4.1.1. Loan-to-value (LTV) ratio

The LTV ratio, which is the ratio of net financial liabilities to the latest valuation of the property portfolio including duties (on a full consolidation basis) plus the value of property development companies, stood at 39.3% as of June 30, 2020 (compared with 38.0% as of December 31, 2019).

Based on the latest valuation of the portfolio excluding duties, the ratio was 41.5% as of June 30, 2020 (vs. 40.1% as of December 31, 2019).

As of June 30, 2020, the LTV ratio calculated as part of bank covenants stood at 43.3%, well below the maximum levels of 52% to 70% provided for in the bank agreements.

1.4.4.1.2. Interest coverage ratio (ICR)

The interest coverage ratio based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was **5.18x for H1 2020**. The ratio was high—significantly higher than the covenant minimum of 2x.

	06/30/2020	12/31/2019
Ratio of net financial liabilities/portfolio value incl. duties (LTV) [(a)]	39.3%	38.0%
Interest coverage ratio (ICR) based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies [(b)]	5.18x	5.84x

(a) Includes the balance sheet value of property development companies.

(b) Ratio of EBITDA plus the Group's share in profit/(loss) of equity-accounted companies to the total interest expense.

2. Property Investment Divisions

2.1. Summary income statement and valuation of property assets for the Property Investment Divisions (EPRA indicators)

Icade is a property investment company with two main asset classes: offices and healthcare property assets.

- The Office Property Investment Division's assets are valued at €8.5 billion on a proportionate consolidation basis (€9.1 billion on a full consolidation basis) and are primarily located in the Paris region and, to a lesser extent, in the major French cities outside Paris (nearly 10% of portfolio value). The portfolio breaks down between office assets worth €6.4 billion and business parks (mainly comprising office assets and business premises) valued at €1.8 billion. It also includes residual assets (€343 million as of June 30, 2020, accounting for 4.0% of the Office Property Investment Division's portfolio), mainly consisting of hotels leased to the B&B group, retail and residential assets;

- The Healthcare Property Investment Division, with assets in France and abroad, is valued at €3.1 billion on a proportionate consolidation basis (€5.3 billion on a full consolidation basis). The Division was created with the support of minority shareholders which are French life insurance companies: its portfolio is held by two dedicated entities: Icade Santé, a 56.84% subsidiary of Icade which holds all the assets located in France, and Icade Healthcare Europe (IHE – assets located in the eurozone excluding France) which is 59.39% owned by Icade:
  - The assets located in France mainly include private healthcare properties such as acute care (medicine, surgery and obstetrics – 86% of the French portfolio) and post-acute care (PAC – 8% of the French portfolio) facilities and nursing homes (6% of the French portfolio);
  - The assets located in other European countries consist primarily of nursing homes in Germany and Italy and were valued at €325.5 million on a full consolidation basis (€199.6 million on a proportionate consolidation basis) as of June 30, 2020.

2.1.1. Summary EPRA income statement for the Property Investment Divisions

The following table summarises the IFRS income statement for the Office and Healthcare Property Investment Divisions and shows adjusted EPRA earnings from Property Investment, which is the main indicator used to analyse the performance of these two divisions.

Adjusted EPRA earnings amounted to €170.0 million, **a significant increase of +3.1% compared to 2019** driven by **gross rental income from the acquisitions made in H2 2019 by the Healthcare Property Investment Division**. It was also supported by a resilient Office Property Investment Division. After a record volume of disposals in 2019 which resulted in lower rental income in 2020, this Division was able to significantly reduce the decline in its adjusted EPRA earnings (see dedicated paragraph). This was achieved through pipeline project completions and acquisitions at the end of the year.

(in millions of euros)	06/30/2020	06/30/2019	Change	Change (%)
Recurring items:				
GROSS RENTAL INCOME	336.2	316.1	20.1	6.4%
NET RENTAL INCOME	320.9	306.4	14.4	4.7%
NET TO GROSS RENTAL INCOME RATIO	*95.4%*	*97.0%*	*-1.5%*	-1.51 pp
Net operating costs	(32.2)	(32.8)	0.6	-1.8%
EBITDA	288.7	273.6	15.0	5.5%
Depreciation and impairment	(4.8)	(4.9)	0.131	-2.7%
Share of profit/(loss) of equity-accounted companies	0.6	(0.3)	0.9	-317.7%
OPERATING PROFIT/(LOSS)	284.6	268.4	16.1	6.0%
Cost of net financial liabilities	(48.8)	(44.7)	(4.0)	9.1%
Other finance income and expenses	(4.1)	(8.2)	4.1	-50.1%
FINANCE INCOME/(EXPENSE)	(52.9)	(52.9)	0.1	-0.1%
Tax expense	(3.0)	(2.9)	(0.2)	5.5%
ADJUSTED EPRA EARNINGS	228.7	212.6	16.0	7.5%
Adjusted EPRA earnings attributable to non-controlling interests	58.7	47.8	10.9	22.9%
ADJUSTED EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	**170.0**	**164.9**	**5.1**	**3.1%**
Non-recurring items (a)	(148.0)	(125.3)	(22.7)	18.1%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	22.0	39.6	(17.5)	-44.4%

(a) "Non-recurring items" include depreciation charges for investment property, gains or losses on disposals, fair value adjustments to financial instruments, and other non-recurring items.

2.1.2. Valuation of the Property Investment Divisions' property assets

The valuation methods used by the property valuers are described in the notes to the consolidated financial statements, section 4.2. "Valuation of the property portfolio: methods and assumptions" of note 4 "Portfolio and fair value". The Covid-19 outbreak in H1 and its impact on the valuation work carried out by the independent property valuers are also described in this section of the notes to the consolidated financial statements.

VALUATION OF THE PROPERTY INVESTMENT DIVISIONS' PROPERTY ASSETS

Assets are classified as follows:

- Offices and business parks of the Office Property Investment Division;
- Other Office Property Investment assets, which consist of housing units, hotels, warehouses, public-sector properties and projects held as part of public-private partnerships, and retail assets (especially the "Le Millénaire" shopping centre);
- The assets of the Healthcare Property Investment Division.

As of June 30, 2020, the aggregate value of the property portfolios of the two Property Investment Divisions stood at €14,430.6 million (€11,600.3 million on a proportionate consolidation basis), **up 0.5% on a reported basis and slightly down by 0.4% on a like-for-like basis**, reflecting the first impacts of the health crisis. This is mainly due to the decline in index-linked rent reviews expected by independent property valuers.

The total portfolio value including duties came in at **€15,278.5 million** (€12,269.0 million on a proportionate consolidation basis).

The Office Property Investment portfolio was valued at €9.1 billion (i.e. €8.5 billion on a proportionate consolidation basis), up €0.4% on a reported basis and slightly down by 0.5% on a like-for-like basis (0.6% on a proportionate consolidation basis).

The Healthcare Property Investment portfolio grew by 1.1%, due mainly to acquisitions in France and Italy. On a like-for-like basis, the value of Healthcare Property Investment portfolio was stable (+0.1%). It was worth €5.3 billion as of June 30, 2020 (i.e. €3.1 billion on a proportionate consolidation basis).

It should be noted that the values reported by Icade are excluding duties, unless otherwise specified.

Portfolio value excl. duties on a proportionate consolidation basis	06/30/2020 (in €m)	12/31/2019* (in €m)	Change (in €m)	Change (in %)	Like-for-like change [(a)] (in €m)	Like-for-like change [(a)] (in %)	Total floor area on a proportionate consolidation basis (in sq.m)	Price [(b)] (in €/sq.m)	Net initial yield excl. duties [(c)] (in %)	EPRA vacancy rate [(d)] (in %)
OFFICE PROPERTY INVESTMENT										
OFFICES										
Paris	1,788.6	1,783.3	+5.3	+0.3%	+1.1	+0.1%	200,699	8,912	4.4%	1.4%
La Défense/Peri-Défense	1,649.8	1,654.3	(4.5)	(0.3%)	(10.2)	(0.6%)	232,845	7,085	5.5%	6.3%
Other Western Crescent	70.7	70.2	+0.5	+0.7%	(0.3)	(0.5%)	8,579	8,241	5.3%	2.7%
Inner Ring	1,218.0	1,233.1	(15.1)	(1.2%)	(9.9)	(0.8%)	191,349	6,365	5.3%	2.7%
Total Paris region	4,727.1	4,740.9	(13.8)	(0.3%)	(19.3)	(0.4%)	633,473	7,462	5.0%	3.6%
France outside the Paris region	625.1	630.3	(5.2)	(0.8%)	(0.4)	(0.1%)	175,341	3,565	5.8%	7.6%
TOTAL OPERATING OFFICE ASSETS	**5,352.2**	**5,371.2**	**(19.0)**	**(0.4%)**	**(19.8)**	**(0.4%)**	**808,814**	**6,617**	**5.1%**	**4.1%**
Land bank and floor space awaiting refurbishment (not leased) [(e)]	12.2	10.9	+1.3	+11.6%	+1.3	+11.6%				
Projects under development	1,012.8	966.5	+46.3	+4.8%	(10.8)	(1.1%)				
Off-plan acquisition	30.3	27.3	+3.1	+11.3%	(0.3)	(1.1%)				
TOTAL OFFICES	**6,407.5**	**6,375.9**	**+31.6**	**+0.5%**	**(29.6)**	**(0.5%)**	**808,814**	**6,617**	**5.1%**	**4.1%**
BUSINESS PARKS										
Inner Ring	880.3	864.2	+16.1	+1.9%	+4.9	+0.6%	317,281	2,774	7.3%	16.2%
Outer Ring	748.1	764.2	(16.1)	(2.1%)	(20.6)	(2.7%)	379,636	1,971	8.5%	16.7%
Total Paris region	1,628.3	1,628.3	-	-	(15.7)	(1.0%)	696,917	2,336	7.9%	16.4%
Land bank and floor space awaiting refurbishment (not leased) [(e)]	148.7	146.8	+1.9	+1.3%	+1.7	+1.2%				
Projects under development	22.1	18.2	+3.9	+21.1%	+1.5	+8.2%				
TOTAL BUSINESS PARKS	**1,799.1**	**1,793.4**	**+5.7**	**+0.3%**	**(12.5)**	**(0.7%)**	**696,917**	**2,336**	**7.9%**	**16.4%**
TOTAL OFFICES AND BUSINESS PARKS	**8,206.6**	**8,169.2**	**+37.3**	**+0.5%**	**(42.1)**	**(0.5%)**	**1,505,732**	**4,636**	**5.8%**	**8.1%**
Other Office Property Investment assets [(f)]	342.8	350.7	(7.9)	(2.3%)	(5.7)	(1.6%)	123,886	1,647	8.6%	14.3%
TOTAL OFFICE PROPERTY INVESTMENT ASSETS	**8,549.3**	**8,519.9**	**+29.4**	**+0.3%**	**(47.8)**	**(0.6%)**	**1,629,618**	**4,409**	**5.8%**	**8.3%**
HEALTHCARE PROPERTY INVESTMENT										
Paris region	390.4	389.9	+0.6	+0.1%	+0.6	+0.1%	100,706	3,877	5.6%	0%
France outside the Paris region	2,429.3	2,419.3	+10.0	+0.4%	+2.5	+0.1%	877,262	2,769	5.7%	0%
International	195.1	182.0	+13.1	+7.2%	+0.5	+0.3%	101,362	1,925	5.1%	0%
TOTAL HEALTHCARE PROPERTY INVESTMENT – OPERATING ASSETS	**3,014.8**	**2,991.2**	**+23.6**	**+0.8%**	**+3.6**	**+0.1%**	**1,079,330**	**2,793**	**5.7%**	**0%**
Projects under development	35.2	26.1	+9.1	+34.7%	+0.5	+2.0%				
Space awaiting refurbishment (not leased) [(e)]	1.0	1.1	(0.1)	(10.5%)	(0.1)	(10.5%)				
TOTAL HEALTHCARE PROPERTY INVESTMENT	**3,051.0**	**3,018.4**	**+32.5**	**+1.1%**	**+4.0**	**+0.1%**	**1,079,330**	**2,827**	**5.7%**	**0%**
Incl. France	2,851.3	2,831.7	+19.6	+0.7%	+3.7	+0.1%	977,968	2,916	5.7%	0%
Incl. international	199.6	186.7	+12.9	+6.9%	+0.3	+0.2%	101,362	1,969	5.1%	0%
GRAND TOTAL	**11,600.3**	**11,538.4**	**+61.9**	**+0.5%**	**(43.8)**	**(0.4%)**	**2,708,948**	**3,778**	**5.8%**	**5.7%**
Including assets consolidated using the equity method	*137.2*	*137.6*	**(0.5)**	*(0.3%)*	*(3.8)*	*(2.7%)*				

**Adjusted for the asset reclassifications made between the two periods, including reclassifications from "Projects under development" to the "Operating" category upon completion of a property.*

(a) Net change in disposals for the period and investments, and changes in assets treated as financial receivables (PPPs).

(b) Established based on the appraised value excluding duties for operating properties.

(c) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value excluding duties (operating properties).

(d) Calculated based on the estimated rental value of vacant space divided by the overall estimated rental value.

(e) Properties that are completely vacant, held for sale, or due to be refurbished or demolished.

(f) Indicators (total floor area, price in €/sq.m, EPRA net initial yield excluding duties, and EPRA vacancy rate) are presented excluding PPPs and residential properties.

2.2. Office Property Investment Division

2.2.1. Market update and property portfolio as of June 30, 2020

MARKET UPDATE

The office rental market in the Paris region (source: JLL / ImmoStat)

Drawn to an abrupt halt during the two-month lockdown, the rental market in the Paris region fell by 40% in H1 2020 with take-up of 667,500 sq.m. While activity levelled off around its long-term average of 2.3 million sq.m at the end of 2019, the consequences of the Covid-19 crisis will only allow for a gradual recovery with 1.3 to 1.5 million sq.m forecasted by the end of the year.

All markets were affected by the downturn in take-up in H1 (-40% for Paris CBD), with the Western Crescent (-51%) and Inner Ring (-65%) suffering the heaviest losses in contrast to their strong performance in 2019.

The wait-and-see attitude of users has been particularly pronounced for office units over 5,000 sq.m which were down by 75% excluding the 126,000 sq.m leased off-plan by Total when construction started in La Défense in H1, but which had already been announced in mid-2017. Although large groups still intend to carry out their modernisation projects, they nonetheless need to be reassessed to be adapted to the new economic and health environment.

Faced with an unprecedented recession, with GDP to fall by 9% according to INSEE, companies will have to look for ways to cut costs. After first dealing with their immediate operational challenges (business resumption, employee safety, etc.) companies will explore other avenues such as teleworking and coworking for greater flexibility, while at the same time de-densifying their workspaces to comply with social distancing requirements. This is expected to curb their declining need for space.

After reaching its lowest level in ten years at the end of 2019, immediate supply increased to 3.0 million sq.m in the Paris region as of June 30, representing a vacancy rate of 5.5%, up 0.5% in H1. As the health crisis made it impossible to complete construction projects, this increase is mainly due to vacated properties, particularly in the Paris market, while the share of new office space in the existing supply remains low at 19%.

This is expected to change with almost 450,000 sq.m of additional available space scheduled for completion by the end of the year, primarily located in La Défense and the Northern Inner Ring. The vacancy rate in the Paris region should continue to climb, as was the case at the end of 2008 with a year-on-year increase of 1.8%.

The rents observed in mid-2020 show a certain inertia, particularly given an average rent for new office space in Paris CBD which has surged past the symbolic threshold of €800/sq.m. The fallout is expected to continue until the end of the year to varying degrees depending on the volume of supply in each market. Lease incentives should also increase from 20.8% to 24.4% according to the MSCI/CFI barometer.

While Paris retains its strong appeal, its high rents and persistently limited supply will accelerate the shift towards other geographic areas. The soon-to-be-completed projects under construction should garner more attention from companies looking for high-quality properties that meet new health requirements while at the same time optimising their costs. Accessibility will nonetheless remain a differentiating factor leading them to favour the immediate outskirts, close to the ring road and future transport hubs.

The office rental market outside the Paris region (source: BNP Paribas Real Estate)

The markets of the main French cities outside Paris (Lyon, Lille, Aix-Marseille, Bordeaux, Toulouse and Nantes) had experienced very strong demand for several years until it was dampened by the lockdown. Since 2015, take-up has increased by 40%, reaching a high of 1.3 million sq.m in 2019, while one-year supply has remained relatively stable (around 1.5 million sq.m). This has resulted in lower vacancy rates and higher rents (+8.5% since 2015 according to BNPP RE).

In Q1 2020, a downward correction in leasing activity was observed in all the main cities except for Aix-Marseille (up by 35%). It was especially pronounced in Lyon and Bordeaux as these cities had reached all-time highs in 2019.

Due to their limited one-year supply, markets outside Paris have ample room to manoeuvre to adjust to the crisis, bearing in mind that new opportunities will open up given the French government's desire to further decentralise away from Paris. Vacancy rates did not exceed 4.6% with the exception of Aix-Marseille whose 6.5% vacancy rate nonetheless only includes a small proportion of new office space (15%). The supply under construction outside Paris remains very limited with 270,000 sq.m scheduled for completion in 2021 and only 65,000 sq.m after that.

Given the mismatch between supply and demand, rents are expected to remain stable. Prime rents stand at €230–€250 per sq.m in Lille, Nantes and Toulouse. Bordeaux's city centre remains at €280 per sq.m while Aix-Marseille and Lyon, with clearly identified business districts, report €295 per sq.m and €335 per sq.m respectively.

The French commercial property investment market (source: BNP Paribas Real Estate)

Having shown strong momentum in 2019 (with record investment of €43bn) and in Q1 2020 (€8bn), the investment market slowed but did not come to a halt during the lockdown. With €12bn in investments at the end of June, acquisition volumes were down by 21% year-on-year. The outlook nonetheless remains favourable, unlike during the 2008 financial crisis when the real estate industry faced a liquidity crunch. Business continued between April and June with the signing of several preliminary agreements. The market has proven to be resilient as close to €10bn was in the pipeline at the end of June according to JLL, compared to €8bn before the lockdown.

This sound market performance is attributable to investor demand which has remained strong against the backdrop of persistently low interest rates and volatile equity markets. Close to two investors out of three remained willing to invest during the lockdown with the market remaining liquid due to the wide range of players in France. Players using their own capital such as insurance companies (accounting for 29% of acquisitions in H1) and SCPI funds (fuelled by strong inflows and accounting for 15% of acquisitions in H1) continue to drive the market despite higher finance costs. Foreign investors are also present accounting for 38% of transactions (11% for Americans and 9% for Germans).

Less directly impacted by the lockdown than the retail and hotel segments, offices remain the most sought-after asset for over 60% of investors in the French market. Even though acquisitions are expected to actively resume in H2, investors will prove to be more selective by prioritising the safety of core products. This preference for a particular type of product will automatically lead to lower market volumes and a recalibration of risk premiums.

In an uncertain rental environment, differences between the various risk profiles could grow due to price corrections mainly targeting value-add assets. The risk premium of prime assets in their market should change only slightly while the risk premium of value-add assets is expected to increase from 50 to 150 basis points.

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY ASSET TYPE

As of June 30, 2020

In value terms (on a proportionate consolidation basis) **(in millions of euros)**	Offices	Business parks	Subtotal offices and business parks	Other Office Property Investment assets	TOTAL	%
PARIS REGION	5,700	1,799	7,499	225	7,724	90.3%
% of total	*89.0%*	*100.0%*	*91.4%*	*65.6%*		
incl. Paris	1,851	-	1,851	0.4	1,851	
incl. La Défense/Peri-Défense	2,261	-	2,261	-	2,261	
incl. Western Crescent	234	-	234	-	234	
incl. Inner Ring	1,353	984	2,337	91	2,428	
incl. Outer Ring	-	816	816	133	949	
FRANCE OUTSIDE THE PARIS REGION	708	-	708	118	826	9.7%
% of total	*11.0%*	*0.0%*	*8.6%*	*34.4%*		
GRAND TOTAL	**6,407**	**1,799**	**8,207**	**343**	**8,549**	
% OF TOTAL PORTFOLIO VALUE	74.9%	21.0%	96.0%	4.0%		100%

DESCRIPTION OF THE PORTFOLIO

The tables below show leasable floor areas for office and business park properties between December 31, 2019 and June 30, 2020. Leasable floor space relates to leasable units in portfolio assets (excluding car parks). It is shown on a full consolidation basis.

◆ Offices

As of June 30, 2020, Icade owned office buildings representing a total leasable floor area of 891,828 sq.m. 77% of the floor area of these assets is in the Paris region (mainly in the La Défense/Péri-Défense areas, in Paris and in the Inner Ring).

The rest of the assets are located in the city centres of the largest French cities outside Paris—Lyon, Marseille, Toulouse and Bordeaux.

	12/31/2019	H1 2020 changes			06/30/2020
Asset classes On a full consolidation basis	Leasable floor area *(in sq.m)*	Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	Leasable floor area *(in sq.m)*
PARIS REGION	673,659	14,591	-	(1,122)	687,128
%	*77.0%*				*77.0%*
incl. Paris	199,437	8,552		(63)	207,926
incl. La Défense/Peri-Défense	274,294	6,039		(1,059)	279,274
incl. Western Crescent	8,579	-		-	8,579
incl. Inner Ring	191,349	-			191,349
incl. Outer Ring	-	-	-		-
FRANCE OUTSIDE THE PARIS REGION	201,334	2,976	-	390	204,700
%	*23.0%*				*23.0%*
TOTAL OFFICES	**874,993**	**17,567**	**-**	**(732)**	**891,828**

In H1, Icade completed two office buildings totalling 11,665 sq.m which were previously in the development pipeline. 6,039 sq.m of renovated space became leasable and 1,059 sq.m were no longer leasable.

◆ Business parks

Icade owns business parks in Saint-Denis, Aubervilliers and Rungis which are mainly composed of offices and business premises.

The overall leasable floor area of the business parks totalled 679,217 sq.m as of June 30, 2020.

	12/31/2019	H1 2020 changes			06/30/2020
Asset classes On a full consolidation basis	Leasable floor area *(in sq.m)*	Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	Leasable floor area *(in sq.m)*
PARIS REGION	682,788	-	-	(3,571)	679,217
% of total	*100.0%*	*0.0%*	*0.0%*	*100.0%*	*100.0%*
incl. Inner Ring	320,763	-		(2,771)	317,992
incl. Outer Ring	362,024			(800)	361,224
FRANCE OUTSIDE THE PARIS REGION	-				-
%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
TOTAL BUSINESS PARKS	**682,788**	**-**	**-**	**(3,571)**	**679,217**

No significant changes were recorded in the business park portfolio during the half-year ended.

2.2.2. Changes in value of the Office Property Investment portfolio

(on a proportionate consolidation basis)	Fair value as of 12/31/2019 (€m)	Fair value of assets sold as of 12/31/2019 (€m) [a]	Investments and other (€m) [b]	Like-for-like change (€m)	Like-for-like change (%)	Fair value as of 06/30/2020 (€m)
Offices	6,375.9	-	61.2	(29.6)	(0.5%)	6,407.5
Business parks	1,793.4	-	18.2	(12.5)	(0.7%)	1,799.1
OFFICES AND BUSINESS PARKS	8,169.2	-	79.4	(42.1)	(0.5%)	8,206.6
Other Office Property Investment assets	350.7	(1.7)	(0.5)	(5.7)	(1.6%)	342.8
TOTAL	**8,519.9**	**(1.7)**	**78.9**	**(47.8)**	**(0.6%)**	**8,549.3**

(a) Includes bulk sales and partial sales (assets for which Icade's ownership interest decreased during the period).
(b) Includes capex, the amounts invested in H1 2020 in off-plan acquisitions, and acquisitions (bulk acquisitions and assets for which Icade's ownership interest increased during the period). Also includes the restatement of transfer duties and acquisition costs, changes in value of assets acquired during the financial year, works to properties sold, changes in transfer duties and changes in value of assets treated as financial receivables.

On a proportionate consolidation basis, the overall value of the Office Property Investment Division's portfolio was €8,549.3 million excluding duties as of June 30, 2020 vs. €8,519.9 million at the end of 2019, i.e. an increase of €29.4 million (+ 0.3%). On a full consolidation basis, the Office Property Investment Division's portfolio was worth €9,088.2 million vs. €9,054.2 million as of December 31, 2019.

Excluding the impact of investments and disposals completed in H1 2020, the like-for-like change in value of the assets of the Office Property Investment Division was -€47.8 million, **i.e. - 0.6%**. This slight like-for-like decrease in value is mainly explained by the downward revision of the assumptions about index-linked rent reviews used by the property valuers as a result of the health crisis.

Despite this challenging environment, the assets in the Office Property Investment Division's portfolio, which are located in geographic areas offering attractive rents relative to central Paris, are viewed positively by valuers and their value has been quite resilient so far.

In value terms, 91% of Icade's office property portfolio is located in the Paris region.

OFFICES

As of June 30, 2020, the office portfolio represented €6,407.5 million, vs. €6,375.9 million as of December 31, 2019, an increase of +€31.6 million (+0.5%). Excluding the impact of investments and asset disposals completed during the half-year, the change in value of the office portfolio as of June 30, 2020 was -€29.6 million (i.e. -0.5%). On a full consolidation basis, the office portfolio was worth €6,927.4 million vs. €6,891.0 million as of December 31, 2019.

The decline in value recorded for office assets under development (-1.1% like-for-like) is partly related to the shutdown of construction sites during the lockdown which will inevitably result in completion delays.

BUSINESS PARKS

As of June 30, 2020, the business park portfolio represented €1,799.1 million vs. €1,793.4 million as of December 31, 2019, an increase of +€5.7 million (+0.3%). On a like-for-like basis, the change in value of business parks was -€12.5 million over the half-year, i.e. -0.7%. On a full consolidation basis, the business park portfolio was worth €1,799.1 million vs. €1,793.4 million as of December 31, 2019.

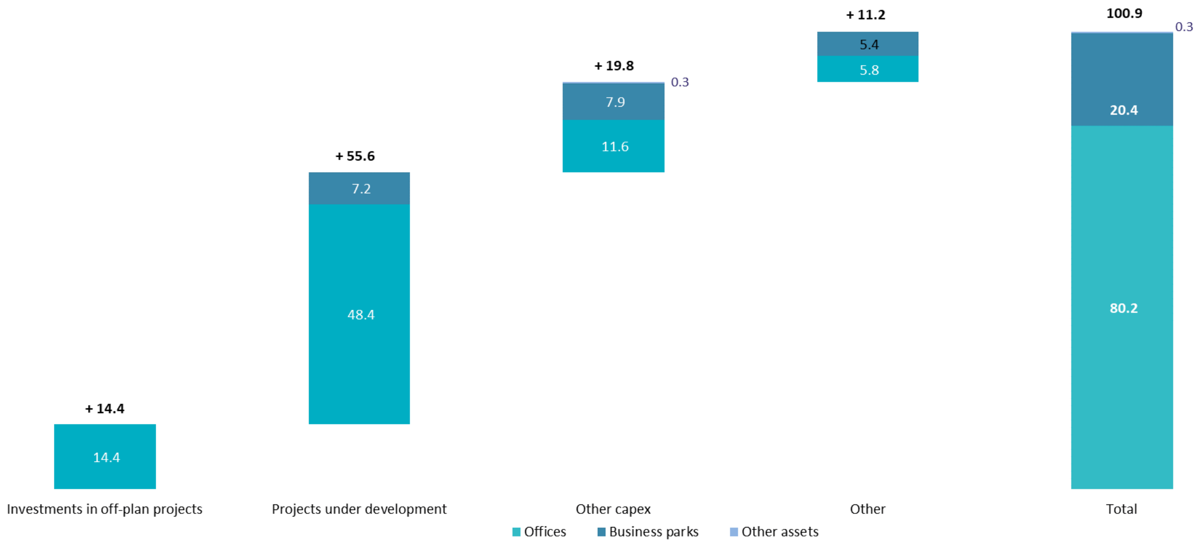
OTHER OFFICE PROPERTY INVESTMENT ASSETS

As of June 30, 2020, other Office Property Investment assets were valued at €342.8 million vs. €350.7 million as of December 31, 2019, down -€7.9 million (-2.3%). Excluding the impact of investments and asset disposals completed during the half-year, the change in value of other Office Property Investment assets as of June 30, 2020 was -€5.7 million (i.e. -1.6%). On a full consolidation basis, other Office Property Investment assets were worth €361.7 million vs. €369.8 million as of December 31, 2019.

The decline in value recorded in this segment is explained by the fact that most retail assets (especially the Cerisaie retail park in Fresnes and the "Le Millénaire" shopping centre in Aubervilliers) were closed during the lockdown.

2.2.3. Investments

Investments are presented as per EPRA recommendations: tenant improvements, broker fees and finance costs are grouped under the heading "Other".



As of June 30, 2020, investments represented **€100.9 million** vs. €207.4 million (-€106.5 million) during the same period in 2019. They included €70.0 million invested in buildings under development or sold off-plan:

- Origine in Nanterre (Hauts-de-Seine) for €32.3 million. Due to the Covid-19 crisis, the originally scheduled completion date in Q4 2020 has been postponed to H1 2021;
- Park View in Lyon represents investments totalling €11.7 million. Its completion, pushed back due to the fallout from the Covid-19 crisis, has been rescheduled for Q4 2020;
- Fresk in Issy-les-Moulineaux (Hauts-de-Seine) for €7.2 million and scheduled to be handed over in 2021;
- Latécoère in Toulouse (off-plan sale) for €3.1 million. The project is scheduled to be handed over in Q1 2021.

Other investments, encompassing "Other capex" and "Other" for **€30.9 million**, related mainly to building maintenance work and tenant improvements.

In addition, two office assets were completed on schedule during the half-year:

- B007 located in the Pont de Flandre business park (8,550 sq.m, 19th district of Paris), completed in February 2020 and fully leased under an off-plan contract signed with URSSAF.
- Quai Rive Neuve (3,110 sq.m) located in Marseille, completed in February 2020 and fully leased. This third asset completed by the Office Property Investment Division in Marseille over the last nine months (after Le Castel in July 2019 and Eko Active in November 2019, for a total of 13,800 sq.m) is a further example of Icade's presence as an office investor in large French cities outside the Paris region.

PROPERTY DEVELOPMENT PROJECTS

Icade's development projects represent a total investment of €2.2 billion and nearly 365,000 sq.m, including 238,392 sq.m already started. The yield on cost expected for these projects is 6.1%.

In H1 2020, the most significant changes in the pipeline were:

- Completion of two assets: B007 (Pont de Flandre, 19th district of Paris) and Quai Rive Neuve in Marseille;
- Completion delays due to the Covid-19 crisis, especially for the Origine project which is scheduled for completion in Q2 2021;
- Start of the Jump project following the signing of a 12-year off-plan lease with no break option during the half-year for the hotel section.

Project name [(a)]	Location	Type of works	In progress	Property type	Estimated date of completion	Floor area	Expected rental income	Yield on cost [(b)]	Total invest-ment [(c)]	Remaining to be invested	% pre-let or pre-sold
PARK VIEW	LYON	Redevelopment	*	Office	Q4 2020	22,980			82	18	31%
TOULOUSE - LATÉCOÈRE	TOULOUSE	Construction	*	Office	Q1 2021	12,717			41	10	100%
ORIGINE	NANTERRE	Redevelopment	*	Office	Q2 2021	65,000			450	86	78%
FONTANOT	NANTERRE	Refurbishment	*	Office	Q2 2021	16,350			109	19	100%
B034	PONT DE FLANDRE	Refurbishment	*	Hotel	Q3 2021	4,826			33	17	100%
FRESK	SOUTH LOOP	Refurbishment	*	Office	Q3 2021	20,542			223	49	0%
JUMP (formerly Block D)	PORTES DE PARIS	Construction		Office / Hotel	Q4 2022	18,300			94	79	19%
TIME (formerly Pôle Numérique)	PORTES DE PARIS	Construction		Office	Q3 2023	9,400			45	40	0%
HUGO (formerly B32)	MILLÉNAIRE	Construction		Office		27,695			130	101	0%
VICTOR (formerly B2)	MILLÉNAIRE	Construction		Office		40,582			191	149	0%
TOTAL PROJECTS STARTED						238,392	88.2	6.3%	1,398	569	38%
TOTAL PROJECTS NOT COMMITTED						125,778	47.9	5.7%	842	674	0%
TOTAL PIPELINE						**364,170**	**136.1**	**6.1%**	**2,239**	**1,243**	**25%**

Notes: on a full consolidation basis

(a) Includes identified projects on secured plots of land, which have started or will start within 24 months.

(b) YoC = headline rental income / cost of the project as approved by Icade's governance bodies (as defined in (c)).

(c) Total investment includes the fair value of land (or building), cost of works, tenant improvements, finance costs and other fees.

2.2.4. Asset disposals

Disposals carried out in H1 2020 amounted to €2.2 million and mainly related to disposals of individual housing units from the Residential Property Investment Division.

Asset disposals generated an overall capital gain of €1.4 million.

2.2.5. Adjusted EPRA earnings from Office Property Investment as of June 30, 2020

(in millions of euros)	06/30/2020	06/30/2019	Change	Change (%)
Recurring items:				
GROSS RENTAL INCOME	187.0	186.7	0.2	0.1%
NET RENTAL INCOME	175.0	177.2	(2.3)	-1.3%
NET TO GROSS RENTAL INCOME RATIO	93.6%	94.9%	-1.3%	-1.32 pp
Net operating costs	(24.1)	(25.9)	1.9	-7.2%
EBITDA	150.9	151.3	(0.4)	-0.3%
Depreciation and impairment	(4.8)	(4.9)	0.1	-2.7%
Share of profit/(loss) of equity-accounted companies	0.6	(0.3)	0.9	-317.7%
OPERATING PROFIT/(LOSS)	146.8	146.1	0.7	0.5%
Cost of net financial liabilities	(31.5)	(29.7)	(1.9)	6.2%
Other finance income and expenses	(3.5)	(7.8)	4.2	-54.5%
FINANCE INCOME/(EXPENSE)	(35.1)	(37.4)	2.4	-6.3%
Tax expense	(1.1)	(1.5)	0.4	-27.7%
ADJUSTED EPRA EARNINGS	110.6	107.2	3.5	3.2%
Adjusted EPRA earnings attributable to non-controlling interests	8.0	2.2	5.8	270.2%
ADJUSTED EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	**102.7**	**105.0**	**(2.4)**	**-2.3%**
Non-recurring items (a)	(102.8)	(90.6)	(12.1)	13.4%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(0.1)**	**14.4**	**(14.5)**	**-100.9%**

(a) "Non-recurring items" include depreciation charges for investment property, gains or losses on disposals, fair value adjustments to financial instruments, and other non-recurring items.

Gross rental income from Office Property Investment stood at €187.0 million, slightly up compared to H1 2019 (€186.7 million). The significant disposals completed in 2019 (Crystal Park) were offset by acquisitions (Pointe Métro) and completions of pipeline assets (Gambetta).

Net operating costs from the Office Property Investment Division stood at -€24.1 million, down €1.9 million compared to 2019 (see section 2.3.5 "EPRA reporting – EPRA cost ratio from Property Investment").

The recurring portion of finance income/(expense) from Office Property Investment amounted to -€35.1 million as of June 30, 2020 vs. -€37.4 million as of June 30, 2019. This 6.3% improvement stems from Icade's proactive management of its liabilities (bond repurchases, mortgage refinancing, debt prepayments, active management of interest rate hedging in H2 2019).

The proportion of non-controlling interests rose significantly in H1 2020 (+€5.8 million) as a 49% interest in SAS Tour EQHO was sold in H2 2019.

Thus, adjusted EPRA earnings from Office Property Investment reached €102.7 million (€1.39 per share) as of June 30, 2020 vs. €105.0 million (€1.42 per share) as of June 30, 2019, down -2.3% year-on-year.

Net profit/(loss) attributable to the Group dropped year-on-year to -€0.1 million (vs. €14.4 million as of June 30, 2019). This can be partly explained by the first impacts of the health crisis, including:

- The recognition of impairment losses on assets for -€8.6 million, to be compared with a reversal of +€22.9 million as of June 30, 2019;
- Waivers of receivables granted to small businesses for -€2.2 million (including equity-accounted companies).

2.2.6. Rental income from Office Property Investment as of June 30, 2020

GROSS RENTAL INCOME FROM OFFICE PROPERTY INVESTMENT

(in millions of euros)	06/30/2019	Asset acquisitions	Asset disposals	Completions/ Developments/ Refurbishments	Leasing activity and index-linked rent reviews	06/30/2020	Total change	Like-for-like change
Offices	125.5	4.0	(11.7)	10.0	3.6	131.5	4.8%	3.3%
Business parks	47.0	-	(0.1)	0.3	(0.8)	46.4	-1.3%	(1.8%)
OFFICES AND BUSINESS PARKS	**172.5**	**4.0**	**(11.7)**	**10.3**	**2.7**	**177.9**	**3.1%**	**1.8%**
Other assets	14.9	-	(5.2)		0.0	9.7	-34.6%	0.3%
Intra-group transactions from Property Investment	(0.7)	-		(0.0)	0.0	(0.7)	N/A	N/A
GROSS RENTAL INCOME	**186.7**	**4.0**	**(16.9)**	**10.3**	**2.8**	**187.0**	**0.1%**	**1.7%**

Gross rental income from Office Property Investment amounted to €187.0 million in H1 2020, stable compared to the same period in 2019 (+0.1%).

The like-for-like change in gross rental income was +1.7%, including +3.3% for the office segment and -1.8% for the business park segment.

Supported by index-linked rent reviews representing about 2.0%, rental income also benefited from strong leasing activity in the office and business park segments with a high number of new lettings. The performance of business parks was nonetheless impacted by the renewal of Ricoh's lease which was only partial as this longtime tenant in the Rungis business park vacated some of its leased space. It was also impacted by temporary vacancy in assets whose space had been partially or totally let.

	06/30/2020		06/30/2019	
(in millions of euros)	Net rental income	Net to gross ratio	Net rental income	Net to gross ratio
Offices	125.1	95.2%	121.0	96.4%
Business parks	37.5	80.8%	41.5	88.1%
OFFICES AND BUSINESS PARKS	**162.6**	**91.4%**	**162.4**	**94.2%**
Other assets	7.9	80.7%	10.3	68.9%
Intra-group transactions from Office Property Investment	4.5	N/A	4.5	N/A
NET RENTAL INCOME	**175.0**	**93.6%**	**177.2**	**94.9%**

Net rental income generated by the Office Property Investment Division in H1 2020 totalled €175.0 million, down -€2.2 million (-1.2%) compared to H1 2019.

The **net to gross rental income ratio** stood at 93.6%, down 1.3 pp from June 30, 2019. It was at 95.2% for offices (-1.2 pp from 2019) and 80.8% (-7.3 pps from 2019) for business parks.

The lower net to gross rental income ratio in business parks can be partly explained by temporary vacancy in Pulse. This building, which is fully pre-let, will reach a 100% financial occupancy rate in H2.

2.2.7. Leasing activity of the Office Property Investment Division

	12/31/2019	H1 2020 changes				06/30/2020	New leases signed		06/30/202
Asset classes	Leased floor area	Additions	Exits	Exits due to disposals	Floor area adjustments [(a)]	Leased floor area	Leases starting in H1 2020	Leases starting after H1 2020	Total
On a full consolidation basis	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*
Offices	812,835	8,645	(9,368)	-	-	812,113	8,757	-	8,757
Business parks	591,267	25,837	(37,267)	-	-	579,837	11,127	-	11,127
Other	151,331	143	(352)	-	(59)	151,062	143	-	143
LIKE-FOR-LIKE SCOPE (A)	1,555,433	34,625	(46,987)	-	(59)	1,543,012	20,027	-	20,027
Offices	25,749	16,242	(2,420)		36	39,607	8,448		8,448
Business parks	8,190	-	(4,956)			3,234		3,945	3,945
Other	-					-			-
ACQUISITIONS / COMPLETIONS / REFURBISHMENTS (B)	33,939	16,242	(7,376)	-	36	42,842	8,448	3,945	12,393
SUBTOTAL (A+B)	1,589,372	50,866	(54,363)	-	(23)	1,585,854	28,475	3,945	32,420
Offices	-					-			-
Business parks	-			-		-			-
Other	-					-			-
DISPOSALS (C)	-	-	-	-	-	-	-	-	-
OFFICE PROPERTY INVESTMENT (A)+(B)+(C)	**1,589,372**	**50,866**	**(54,363)**	**-**	**(23)**	**1,585,854**	**28,475**	**3,945**	**32,420**

(a) Change in floor areas as a result of a new survey by a licensed surveyor

Additions to the portfolio of leased space recorded in H1 2020 represented 50,900 sq.m and €15.8 million in annualised headline rental income. Almost half of these additions involved assets from the development pipeline. They related to the following buildings:

- Pulse for 14,100 sq.m in the Portes de Paris business park;
- B007 including 8,550 sq.m leased to URSSAF under an off-plan lease;
- Quai Rive Neuve in Marseille for 3,000 sq.m.

In addition, a lease which started in H1 2020 was signed for 5,000 sq.m of space in the Portes de Paris business park with Mediapro Sport France.

On a like-for-like basis, over 34,600 sq.m were added to leased space including 14,100 sq.m for the first part of the lease signed for the Pulse building.

Vacated properties added up to nearly 54,400 sq.m during the half-year ended, representing annualised headline rental income of €10.2 million.

On a like-for-like basis, exits from the portfolio of leased space represented 47,000 sq.m and the most significant ones related to the following buildings:

- PAT265 (11,700 sq.m), for which nearly 45% of the space vacated during the half-year was re-let;
- Miami (Rungis) following the renegotiation of the Ricoh lease, which resulted in part of the leased space being vacated (6,300 sq.m).

Leases signed during the half-year represented 32,400 sq.m, with the most significant ones relating to development projects. These included in particular:

- Park View (Lyon): 6,600 sq.m already signed, with the building scheduled for completion in Q4 2020;
- Jump (Portes de Paris business park): 12-year off-plan lease with no break option for 4,000 sq.m, scheduled for completion at the end of 2022.

These new leases represent €7.9 million in headline rental income and have a weighted average unexpired lease term (WAULT) to first break of 6.8 years.

14 leases were **renewed** during the period, totalling 26,000 sq.m and generating annualised headline rental income of €6.9 million on average. The weighted average unexpired lease term of these renewed leases stood at 5.0 years.

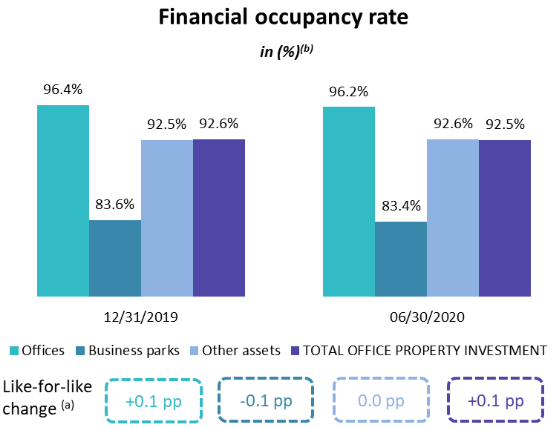
Taking all these changes into account, the **weighted average unexpired lease term to first break** was 4.4 years as of June 30, 2020, broadly stable compared with December 31, 2019.

As of June 30, 2020, the ten largest tenants generated a combined annualised rental income of €161.3 million (around 42.0% of the annualised rental income of the Office Property Investment portfolio).

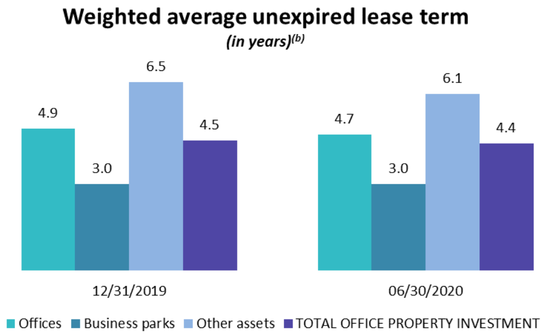
FINANCIAL OCCUPANCY RATE AND WEIGHTED AVERAGE UNEXPIRED LEASE TERM

Financial occupancy stood at 92.5% as of June 30, 2020, stable compared with December 31, 2019 (-0.1 pp).

On a like-for-like basis, it was also stable in both the office and business park segments.



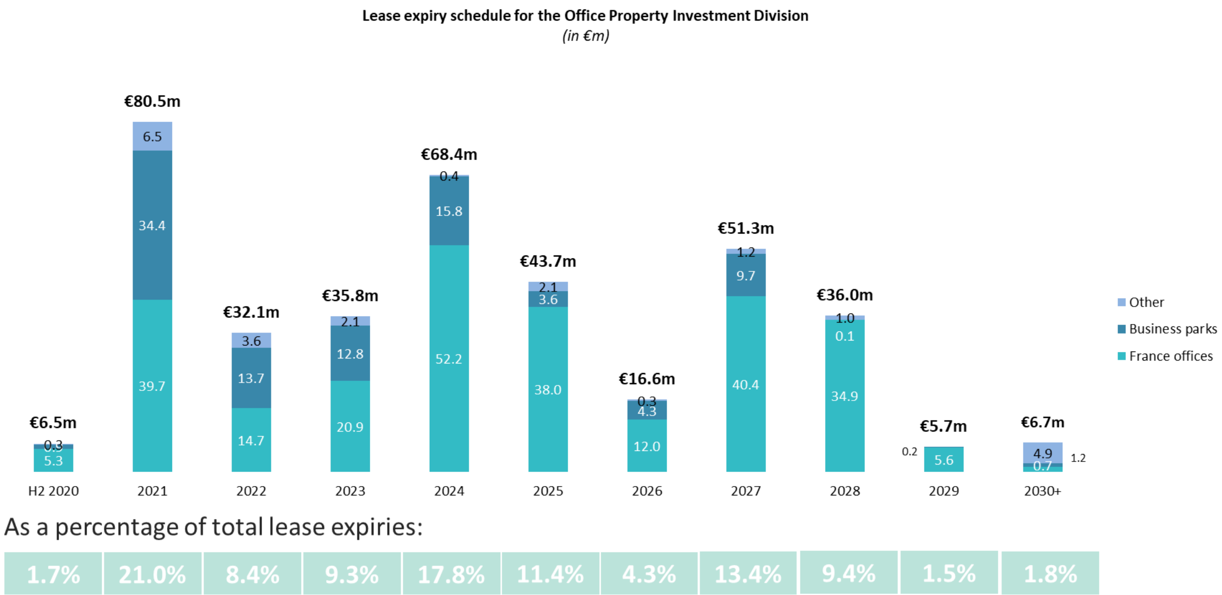
(a) Change between December 31, 2019 and June 30, 2020, excluding completions, acquisitions and disposals for the period.
(b) On a full consolidation basis, except for equity-accounted assets which are included on a proportionate consolidation basis.



As of June 30, 2020, vacancy costs went up on a year-on-year basis (€9.4 million vs. €7.7 million, up €1.7 million) in particular following the completion of the Pulse building in 2019.

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



2.3. Healthcare Property Investment Division

The Healthcare Property Investment Division includes two subsidiaries: Icade Santé and Icade Healthcare Europe.

Icade, the market leader in France with strong growth plans in Europe, owned 159 healthcare properties as of the end of June 2020, characterised by:

- High cash flows;
- Initial lease terms of 12 to 30 years with no break clause and a weighted average unexpired lease term of 7.6 years as of June 30, 2020;
- A net to gross rental income ratio close to 100%;
- A financial occupancy rate of 100%.

For the development and management of this type of asset through its Healthcare Property Investment Division, Icade can rely on its team and expertise which are both recognised by its peers in France. In particular, it has pursued a strategy of regular growth over the last 12 years in France, becoming the French leading investor in acute care facilities. It should be noted that French operations are carried out through Icade Santé, a dedicated subsidiary which was 56.84% owned by Icade as of June 30, 2020, all the other shareholders being French life insurers, including Crédit Agricole Assurances, Cardif and Sogecap.

Since 2019, Icade has expanded into Germany and Italy. Assets held outside France consist of long-term care facilities and now represent €325 million (on a full consolidation basis), i.e. 6% of the total value of the portfolio. Most of these assets are held by Icade Healthcare Europe, a dedicated vehicle which was 59.39% owned by Icade as of the end of June 2020.

2.3.1. Market update and overview of the property portfolio as of June 30, 2020

MARKET UPDATE

(sources: DREES Santé, Cushman & Wakefield, MSCI, RCA)

A healthcare sector more vital now than ever

While the healthcare sector has always been a buoyant and less cyclical market than the rest of the economy, the coronavirus crisis has proven its resilience and left no doubt about its pivotal role. A consensus has now been reached about the need to strengthen healthcare systems. This crisis adds to current underlying trends such as an ageing population, rising healthcare costs and the growing burden of chronic diseases.

In France, this new set of circumstances will inevitably lead to an increase in current health expenditure. This is in contrast to the 2008 financial crisis which slowed its growth by 2% on average starting in 2010 as compared with +4.5% previously. **Consequently, close to €8 billion has been spent on emergency aid to deal with the pandemic** (raising France's target growth in healthcare spending to 6.5% instead of the initial 2.3%). **In addition, a guaranteed minimum level of income has been decreed for all healthcare facilities, whether public or private, thus strengthening their financial position.**

At the end of the lockdown period, the government launched the "Ségur de la Santé" project in line with the "Ma Santé 2022" reform. Its aim is to accelerate the pace of the reform while at the same time applying the lessons learned from the health crisis. The French Health Ministry declared its intention to "recognise the contribution of healthcare workers" and "define a new investment and funding policy".

The health crisis has also shed new light on the importance of nursing homes in the healthcare system. In June 2020, the government agreed on the principle of a 5th branch of the social security system to be dedicated to long-term care, with a 0.15 percentage point of general social contributions (CSG) allocated (€2.3 billion) by 2024. Draft legislation will also be announced by the end of 2020.

The importance of health issues is also being recognised in Europe through a €9.4 billion programme designed to strengthen national health systems and promote their coordination in response to potential new health threats.

Market consolidation of healthcare providers likely to continue

In France, there has been a significant concentration in the sector of for-profit private healthcare operators. Major national groups have emerged such as Ramsay Santé and Elsan in the healthcare segment (around 120 private acute care facilities out of a total of 491 in France) in addition to Korian, ORPEA and DomusVi in regard to nursing homes (with each manager having over 15,000 beds, at least 125,000 beds are available in private facilities in France).

By placing the emphasis on cutting expenditures, healthcare system reforms encouraged healthcare providers to consolidate to maintain their margins. In contrast, nursing home operators, faced with the fact that fewer building permits were being issued, have turned to acquisitive growth both inside and outside of France.

At the end of 2019, more than 60% of the beds managed by France's 15 leading operators were outside France compared to 35% in 2014 and dominated the national rankings. Only a few national players such as Alloheim and Convivo in Germany, Kos and Sereni Orizzonti in Italy or Ballesol in Spain can rival them in size.

The major groups also set themselves apart as they have expanded the healthcare options they offer by adding home help services, residences with services and platforms dedicated to services for seniors. For example, Korian acquired the "Les Essentielles" group in France in H1 (11 residences with services for seniors) while at the same time having a stake in companies focused on digital services and home care (Technosens, Medicalib, Move In Med, Omedys).

The major French healthcare providers, having been less adversely affected by the crisis and benefiting from much higher visibility compared to other sectors, are well positioned to make new acquisitions in Europe. Such consolidation will make it possible to better meet the challenges of today resulting from the coronavirus pandemic and those of tomorrow resulting from the acceleration of population ageing. **This expansion process will require substantial funding which could be raised through potential sale-and-leaseback transactions.**

Properties with attractive features

Property investors work in partnership with healthcare operators. Sale-and-leaseback transactions allow healthcare providers to free up capital for their business and reduce the funding required to acquire or develop new facilities. For example, through the partnership signed by Icade Santé and Korian in 2017, 16 new facilities (nursing homes and post-acute care facilities) have been developed in France.

As part of sales of existing properties by their operators (sale-and-leaseback transactions), commitments to perform works and warranties are typically provided by the sellers within the context of a long-term process.

Healthcare property assets are single-use properties with long-term leases that can be divided into two main categories:

- **Healthcare facilities** including, for short-term stays, acute care facilities (medicine, surgery and obstetrics) with extensive space dedicated to medical technology equipment, or for medium-term stays, mental health or post-acute care (PAC) facilities. 85 to 90% of tenant operators' revenues come from the French national health insurance fund (*Assurance Maladie*);
- **Medical-social facilities**, in which nursing homes are predominant. Nursing home operators derive their revenue from the French national health insurance fund for care and from Departmental Councils for the costs associated with assisting dependent persons, while accommodation costs are primarily borne by the residents themselves or their families.

In France, leases are typically for a term of 12 years with no break option and all service charges are recoverable from the tenant operators apart from major works falling within the scope of Article 606 of the French Civil Code for leases signed or renewed after 2014. Rents depend on the activity being conducted by the facility, with healthcare assets generally subject to the Commercial Rent Index (ILC) while nursing homes follow the Rent Review Index (IRL) with their fees fixed by the French government.

In the rest of Europe, rental practices provide even more safeguards, with leases having terms of up to 25 years with no break option. Despite still being fragmented between multiple regional players, Germany has Europe's deepest medical-social market with numerous sale-and-leaseback opportunities. With some of Europe's highest estimated increases in the old-age dependency ratio until 2050, Italy and Spain also offer significant growth potential in this sector.

A resilient asset class actively sought after by property investors

Even though healthcare property has clearly outgrown its niche status since 2015 with the entry of a number of asset management firms and large portfolios changing hands, the coronavirus crisis has renewed investor interest due to its current sound fundamentals and high-quality counterparties. The panel of investors that participated in the June 2020 edition of the MSCI/CFI barometer predominantly agreed that the value of healthcare assets will remain stable in 2020, **with acute care facilities being the most resilient**.

In this regard, Icade Santé owns over 80% of acute care facilities while asset managers such as Primonial REIM or BNP Paribas REIM and property investment companies such as Cofinimmo or Aedifica have mainly invested in long-term care assets.

The investment market remains competitive with demand exceeding supply both in France and Europe. Some providers have even diversified their expansion into other types of assets such as health centres and residences with services for seniors.

In France, although few transactions were finalised in H1 2020, the number of bids being sought despite the lockdown attests to the appeal of healthcare properties on a market in which liquidity remains abundant. Investments in the health and medical-social segments are expected to exceed **€500 million in 2020** with prime yields (i.e. new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas, outside Paris and operated by a leading company) remaining stable at 4.25% for nursing homes, 4.50% for post-acute care and psychiatric facilities and 5.0% for acute care facilities.

In Germany, €650 million has been invested in long-term care facilities since the beginning of the year, mainly by national providers such as AviaRent and Patrizia. The volume of **€1.5 billion reached in 2019** is expected to remain stable with nursing homes maintaining a prime yield of 4.5%.

Despite Italy and Spain being more heavily impacted by the pandemic, investments have continued with transactions announced in early July by Primonial REIM for a portfolio of six nursing homes to be built in Italy and by Care Property Invest for an assisted living facility to be developed in Madrid.

HEALTHCARE PROPERTY INVESTMENT DIVISION'S PORTFOLIO AS OF JUNE 30, 2020

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 1.9 million sq.m of operating floor area (1.1 million sq.m on a proportionate consolidation basis).

It consists of acute care facilities (medicine, surgery and obstetrics), medium-term care facilities (mainly for post-acute care) and long-term care facilities (mainly nursing homes).

As of June 30, 2020, 94% of the portfolio's assets were located in France in value terms, with the remaining 6% in Europe (Germany and Italy).

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY ASSET TYPE

	Portfolio value (full consolidation basis)		Total floor area (full consolidation basis)	
In terms of total value and floor area	(in €m)	% of the portfolio In value terms	In terms of floor area (in sq.m)	% of the portfolio In terms of floor area
PARIS REGION	**691**	**13%**	**177,190**	**9%**
Occitanie	984	18%	368,966	20%
Pays-de-la-Loire	664	12%	236,245	12%
Nouvelle-Aquitaine	602	11%	250,136	13%
Auvergne-Rhône-Alpes	474	9%	163,305	9%
Hauts-de-France	388	7%	138,917	7%
Provence-Alpes-Côte d'Azur	354	7%	94,107	5%
Normandie	250	5%	80,341	4%
Grand Est	161	3%	51,233	3%
Bretagne	157	3%	54,630	3%
Centre-Val-de-Loire	154	3%	61,894	3%
Bourgogne-Franche-Comté	138	3%	48,707	3%
Total OTHER FRENCH REGIONS	**4,326**	**81%**	**1,548,481**	**82%**
Germany	**259**	**5%**	**110,398**	**6%**
Italy	**67**	**1%**	**55,181**	**3%**
GRAND TOTAL	**5,342**	**100%**	**1,891,250**	**100%**

	Portfolio value (full consolidation basis)		Total floor area (full consolidation basis)	
	(in €m)	% of total portfolio value	floor area (in sq.m)	% of total portfolio floor area
Total France	**5,017**	**94%**	**1,725,671**	**91%**
Acute care	4,321	81%	1,470,099	78%
Medium-term care	410	8%	150,650	8%
Long-term care	286	5%	104,922	6%
Total International	**325**	**6%**	**165,579**	**9%**
Long-term care	325	6%	165,579	9%
TOTAL	**5,342**	**100%**	**1,891,250**	**100%**

2.3.2. Changes in value of Healthcare Property Investment assets

(on a proportionate consolidation basis)	Fair value as of 12/31/2019	Fair value of assets sold as of 12/31/2019 (a)	Investments and other (b)	Like-for-like change (€m)	Like-for-like change (%)	Fair value as of 06/30/2020
France	2,831.7	-	16.0	3.7	+0.1%	2,851.3
International	186.7	-	12.5	0.3	+0.2%	199.6
Healthcare Property	3,018.4	-	28.5	4.0	+0.1%	3,051.0

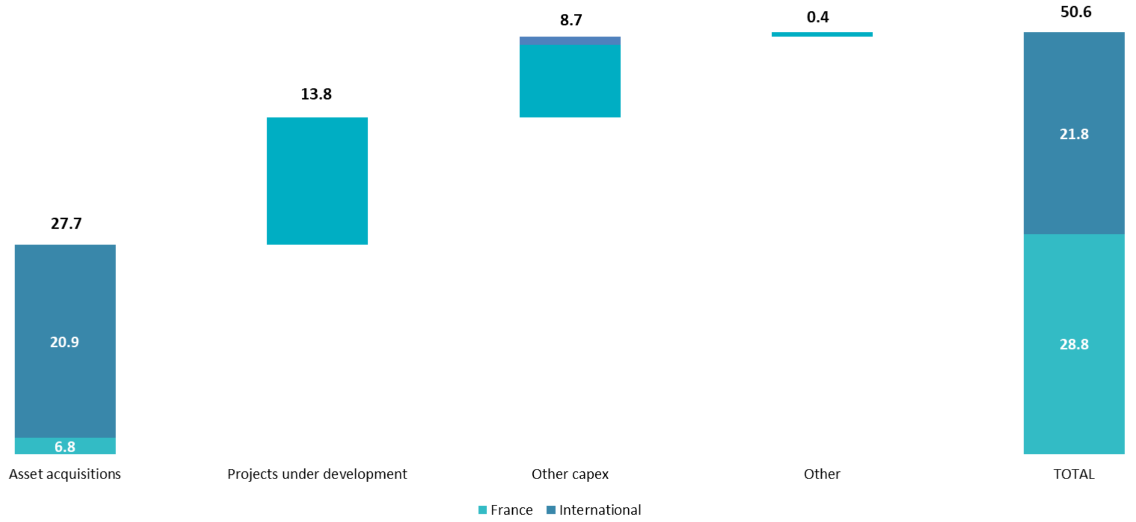
(a) Includes bulk sales and partial sales (assets for which Icade's ownership interest decreased during the period).
(b) Includes capex, the amounts invested in H1 2020 in off-plan acquisitions, and acquisitions (bulk acquisitions and assets for which Icade's ownership interest increased during the period). Also includes the restatement of transfer duties and acquisition costs, changes in value of assets acquired during the financial year, works to properties sold, changes in transfer duties and changes in value of assets treated as financial receivables.

On a proportionate consolidation basis, the overall value of the Healthcare portfolio stood at **€3,051.0 million excluding duties** as of June 30, 2020 vs. €3,018.4 million at the end of 2019, an increase of €32.5 million, i.e. **+1.1%**. On a full consolidation basis, the value of the Healthcare Property Investment Division's portfolio came in at **€5,342.4 million as of June 30, 2020** vs. €5,286.2 million at the end of 2019.

On a like-for-like basis, excluding disposals and investments made during the period, **portfolio value increased by +€4.0 million on a proportionate consolidation basis over H1 2020, i.e. + 0.1%. To date, the Covid-19 crisis has had no material impact on this portfolio value**.

These stable values reflect the resilience of Icade's healthcare assets in the face of the ongoing crisis.

2.3.3. Investments



Investments in H1 2020 were adversely impacted by the current exceptional crisis as property viewings and negotiations with sellers were very difficult or even impossible during the lockdown.

However, they amounted to €50.6 million vs. €45.5 million as of June 30, 2019, a +€5.1 million increase.

Investments in France totalled €28.8 million including:

- €6.8 million for the acquisition of a nursing home in Carcassonne.
- €13.8 million in investments made in the development pipeline as part of the following projects:
  - €7.9 million for the construction of the Grand Narbonne private hospital;
  - Other projects in the development pipeline totalled €5.9 million.
- Other capex amounted to €7.8 million including €3.6 million for the off-plan sale of the Joncs Marins PAC facility in Le Perreux-sur-Marne.

Investments in international assets amounted to €21.8 million in H1 2020. Once again, despite the Covid-19 crisis, the Healthcare Property Investment Division was able to acquire a long-term care facility in Italy for €20.9 million and carry out construction work in Germany for €0.9 million.

DEVELOPMENT PIPELINE

Project (€m)	Estimated date of completion	Operator	Number of beds and places	Rental income	Yield on Cost [(a)]	Total cost of project	Remaining to be invested > 2019
Grand Narbonne private hospital – Montredon-des-Corbières	Q2 2021	Elsan	283			47.8	10.6
Mornay post-acute care facility – Saintes	Q3 2021	Korian	82			10.2	4.2
Pôle Santé Lunellois health complex – Lunel	Q3 2021	Clinipôle	79			11.6	7.4
Le Parc polyclinic – Caen	Q1 2022	Elsan	288			21.2	14.7
Saint-Augustin polyclinic – Bordeaux	Q2 2022	Elsan	297			25.7	25.6
Joncs Marins PAC facility – Le Perreux-sur-Marne	Q2 2022	Korian	136			21.9	18.3
Saint-Charles private hospital – La Roche-sur-Yon	Q2 2022	Sisio	210			14.3	12.8
Saint-Roch polyclinic – Cabestany	Q2 2022	Elsan	332			10.1	10.1
Saint-Pierre private hospital – Perpignan	Q2 2022	Elsan	249			8.8	8.8
Nursing home – Blagnac	Q3 2022	Korian	80			14.9	14.9
Pipeline – France			**2,036**			**186.5**	**127.4**
Germany – Horizon – Tangerhütte	Q4 2020	EMVIA Living	66			7.6	0.1
Italy – KOS – Grosseto	Q1 2021	KOS	120			11.4	11.4
Italy – KOS – Villalba	Q2 2021	KOS	80			12.8	12.8
Italy – Gheron – 5 facilities	2021-2024	Gheron	840			79.2	79.2
Pipeline – Outside France			**1,106**			**111.0**	**103.5**
TOTAL PIPELINE			**3,142**	**16.0**	**5.4%**	**297.6**	**230.9**

(a) YoC = headline rental income / cost of the project as approved by Icade's governance bodies. This cost includes the carrying amount of land, cost of works (excluding internal costs), carrying costs and any lease incentives.

As of the end of June 2020, the Healthcare Property Investment Division had a development pipeline of €297.6 million (cost of the projects). The average estimated yield on cost of these projects is 5.4%.

It must be emphasised that, during the half-year, a facility operated by Gheron was completed in Nichelino (Italy) for €20.9 million. Following this completion, nearly 34.8% of projects were located in Italy. In the meantime, the second phase of the restoration work on the Clinique de l'Atlantique private hospital (Puilboreau) was completed at the end of March 2020.

The delays due to the Covid-19 crisis are limited and estimated at 3 to 4 months depending on the case.

2.3.4. Asset disposals

No disposals were made during the half-year ended.

2.3.5. Adjusted EPRA earnings from Healthcare Property Investment as of June 30, 2020

(in millions of euros)	06/30/2020	06/30/2019	Change	Change (%)
Recurring items:				
GROSS RENTAL INCOME	**149.2**	**129.3**	**19.9**	**15.4%**
NET RENTAL INCOME	**145.9**	**129.2**	**16.7**	**12.9%**
NET TO GROSS RENTAL INCOME RATIO	**97.8%**	**99.9%**	**-2.1%**	**-2.13 pp**
Net operating costs	(8.1)	(6.9)	(1.3)	18.4%
EBITDA	**137.8**	**122.3**	**15.5**	**12.6%**
OPERATING PROFIT/(LOSS)	**137.8**	**122.3**	**15.5**	**12.6%**
Cost of net financial liabilities	(17.2)	(15.0)	(2.2)	14.6%
Other finance income and expenses	(0.6)	(0.5)	(0.1)	22.1%
FINANCE INCOME/(EXPENSE)	**(17.8)**	**(15.5)**	**(2.3)**	**14.8%**
Tax expense	(1.9)	(1.4)	(0.6)	41.8%
ADJUSTED EPRA EARNINGS	**118.0**	**105.5**	**12.6**	**11.9%**
Adjusted EPRA earnings attributable to non-controlling interests	50.7	45.6	5.1	11.2%
ADJUSTED EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	**67.3**	**59.9**	**7.5**	**12.5%**
Non-recurring items (a)	(45.2)	(34.7)	(10.5)	30.4%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**22.1**	**25.2**	**(3.0)**	**-12.1%**

(a) "Non-recurring items" include depreciation charges for investment property, gains or losses on disposals, fair value adjustments to financial instruments, and other non-recurring items.

Gross rental income from Healthcare Property Investment amounted to €149.2 million, a 15.4% increase compared to June 30, 2019, driven by the significant acquisitions carried out in France, Italy and Germany in H2 2019.

Net operating costs were up by only €1.3 million as assets were added to the portfolio.

As a result, **EBITDA** increased by +€15.5 million (+12.6%).

The **recurring finance expense** of the Healthcare Property Investment Division as of June 30, 2020 stood at -€17.8 million, down €2.3 million compared to June 30, 2019 due to the growth in investments and the resulting increase in debt volume. The price effect decreased as a result of the significant reduction in Healthcare Property Investment Division's average cost of debt between H1 2019 (2.07%) and H1 2020 (1.65%).

Consequently, **adjusted EPRA earnings attributable to the Group from Healthcare Property Investment** as of June 30, 2020 amounted to €67.3 million, up +12.5% with respect to June 30, 2019.

Net profit attributable to the Group stood at €22.1 million, down -€3.0 million from €25.2 million as of June 30, 2019. This change mainly reflects increased depreciation charges due to the H2 2019 acquisitions and a penalty paid during the period for a loan prepayment which reduced the average cost of drawn debt over the period.

2.3.6. Rental income from Healthcare Property Investment as of June 30, 2020

The Covid-19 crisis had no impact on IFRS rental income, the only concrete effects of the crisis being the deferrals of Q2 rents for one quarter for operators focusing on long-term care. At the end of June, the situation had returned to normal, with all rents collected.

Indeed, private healthcare facilities, which were very active during the crisis, benefited from exceptional government support measures. For operators, these measures took the form of income that was calculated based on the financial year N-1 in order to offset losses of revenue due to the use of private healthcare facilities to treat Covid-19 patients.

GROSS AND NET RENTAL INCOME FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION

(in millions of euros)	06/30/2019	Asset acquisitions	Asset disposals	New builds / Refurbishments	Leasing activity and index-linked rent reviews	06/30/2020	Total change	Like-for-like change
France	129.2	9.8	(1.0)	1.3	2.2	141.5	12.3	1.8%
International	0.1	7.6	-	-	-	7.7	7.6	N/A
GROSS RENTAL INCOME	129.3	17.4	(1.0)	1.3	2.2	149.2	19.9	1.8%

As a result, **gross rental income** from the Healthcare Property Investment Division surged by +€19.9 million (+15.4%) in H1 2020 to €149.2 million.

On a like-for-like basis, a +1.8% increase was observed, mostly thanks to index-linked rent reviews.

On a reported basis, rental growth was driven by:

- Acquisitions in France for +€9.8 million;
- The international acquisition plan: +€6.4 million in Germany and +€1.2 million in Italy;
- Completions of pipeline assets and other refurbishments and extensions for €1.3 million.

Net rental income generated by the Healthcare Property Investment Division in H1 2020 totalled €145.9 million, implying a net to gross rental income ratio of 97.8%, down 2.1 pps from H1 2019. It should be noted this high ratio as of June 30, 2019 resulted from two early termination payments received during the financial year.

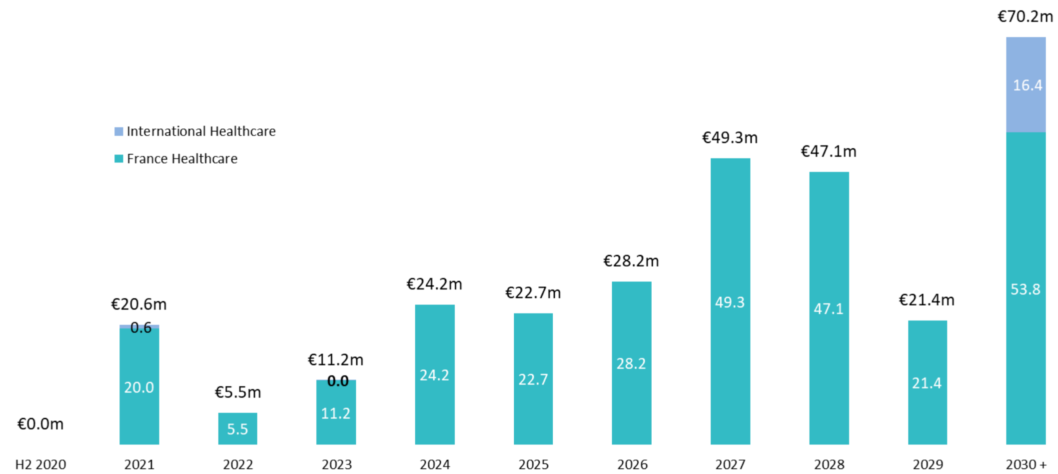
	06/30/2020		06/30/2019	
(in millions of euros)	Net rental income	Net to gross ratio	Net rental income	Net to gross ratio
France	138.4	97.8%	129.1	99.9%
International	7.5	97.1%	0.1	86.0%
NET RENTAL INCOME	**145.9**	**97.8%**	**129.2**	**99.9%**

2.3.7. Leasing activity of the Healthcare Property Investment Division

During the half-year, two leases were renewed or extended prior to their expiry, representing €5.8 million in annualised headline rental income extended by 2.5 additional years. The Healthcare Property Investment Division's weighted average unexpired lease term remained stable compared to June 30, 2019 at 7.6 years; slightly down compared to December 31, 2019 (-0.4 years).

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



As a percentage of total lease expiries:

	7%	2%	4%	8%	8%	9%	16%	16%	7%	23%

3. Property Development Division

MARKET UPDATE

(sources: INSEE, Observatoire Crédit Logement, SDES CGEDD and FPI)

Heavily impacted by the health crisis, the property development industry had to contend with construction site shutdowns, sales office closings and delays in processing building permits during the lockdown period. Demand still remains structurally strong (demographics, increased concentration of the French population in metropolitan areas, new ways of living) with financing terms having remained favourable. Post-lockdown demand has also been driven by institutional players eager to become involved through the acquisition of portfolios of residential units sold as part of bulk sales.

Already hampered by structural factors—including the pre-election period, increased construction costs, land shortage, the substantial number of third-party objections—new housing developments were further impeded by the lockdown due to construction site shutdowns, fewer building permits being issued and postponed municipal elections. The FPI has identified a decrease in new housing supply in Q1 2020 with 50% less activity than in Q1 2019. The available housing stock reached its lowest level since 2016 at only 91,000 units, with a theoretical absorption rate of 9.3 months: these numbers reflect a tight construction market which will persist given the decline in the number of building permits issued since 2018 (229,500 for the rolling 12 months to February 2020, down 12% since the end of 2017) and their suspension during the lockdown period. However, the residential market is underpinned by strong drivers with significant growth potential.

At the same time, demand dropped compared to the pre-crisis record level of 1.1 million transactions involving existing properties in 2019 and over 120,000 net new-build housing orders per year on average for the past three years. According to FPI, the number of net housing orders from individuals over the rolling 12 months to the end of March 2020 has declined by 9% both for owner-occupier buyers (-7%) and individual investors (-9%). Continued low interest rates have only had a small impact on property loans (average rate of 1.25% in May 2020 according to Observatoire Crédit Logement, i.e. +13 basis points since January). The post-lockdown attitude of banks will also play a significant role in shaping changes in individual buyer behaviour.

Over the long term, housing demand in France will remain structurally fuelled by demographics and societal changes. For example, the 22 largest French cities experienced a surge in growth with over 100,000 new inhabitants per year from 2011 to 2016, vs. 75,000 from 2006 to 2011 and the number of households (+17% over the 1999–2015 period) grew twice as fast as the population. Hence, demand rests on very positive fundamentals for the residential market even over the medium and long term.

In addition, the market for bulk sales is shaping up to be a driver for residential property development. This market segment—up sharply since 2015 totalling up to 35,000 units sold as part of bulk sales (average over the 2017–2019 period)—is expected to maintain its new momentum. At the end of March, CDC Habitat announced a plan to acquire 40,000 residential units while in December 2019 in'li (a subsidiary of Action Logement) launched Cronos, its property development company dedicated to intermediate housing.

Lastly, the increased interest on the part of institutional investors in the residential segment should be noted, as seen by the record €3.2 billion invested in France in 2019 according to RCA. More and more investors are positioning themselves in this asset class through dedicated funds such as those launched by Primonial and Tikehau in addition to the €1 billion vehicle launched by Greystar, Bouwinvest and Ivanhoé Cambridge targeting the Greater Paris area. This type of investment, whose resilience was tested during the lockdown period, is expected to rise to new heights in 2020 and continue to be part of the strategy put in place by institutional investors.

ICADE PROMOTION'S H1 BUSINESS ACTIVITY

The first half of 2020 was marked by the sudden shutdown of construction sites once the government announced a nationwide lockdown on March 16 in response to the Covid-19 health crisis. While it is true that all construction sites were allowed to restart relatively quickly at the end of June, they have yet to regain their pre-crisis productivity levels.

The lockdown measures implemented on March 17, 2020 directly impacted the Property Development business, with 90% of the 170 construction sites brought to a halt, sales offices closed, the signing of notarial deeds suspended and municipal elections postponed (impact on building permits).

Amid this unprecedented set of circumstances, Icade Promotion lost no time in adapting to the situation through temporary layoffs and an effective telework environment using existing digital tools.

In addition, Icade Promotion continued its sales efforts through a secure online order solution making it possible to generate a volume of orders from individuals representing 35% of the previous year's volume over the same period.

In contrast, notarised sales came to an almost complete halt despite a decree making it possible to sign deeds remotely. It should nevertheless be noted that the backlog was partially reabsorbed by the end of H1 2020.

Construction site activity has gradually resumed since mid-April in compliance with the rules set out in the OPPBTP health and safety guide. Almost all construction sites had resumed activity by May 15, 2020, albeit at a slower pace than before the crisis due to the health and safety measures and the gradual resumption of supplies.

H1 financial results, in line with those expected for the full year, were strongly impacted by the crisis, especially as some revenue was not recognised as planned during the period and will therefore be in subsequent periods. This is due to the lower percentages of completion that were calculated for ongoing projects as a consequence of construction site shutdowns.

In H1 2020, economic revenue totalled €300.4 million, down €88.1 million, i.e. -23% compared to H1 2019 (as a direct result of construction site shutdowns).

Even though the number of notarised sales in H1 2020 was greater than in H1 2019 (+36.1%), revenue from the residential segment decreased by €53.8 million, i.e. -17.5% between these two periods, due to the delays resulting from construction site shutdowns. Excluding the impact of construction site shutdowns, revenue from the residential segment would have been up by 26%.

The decline in revenue from the office segment (-43.2%) was mainly due to delays on construction sites as a result of the health crisis and postponement of a number of sales. Excluding the impact of construction site shutdowns, revenue from the office segment would have increased by 12.5%.

Leading indicators for revenue, such as the land portfolio and backlog, continue to show growth and will provide secure revenue in H2 2020 and a portion of revenue expected in 2021.

For the time being, the Property Development Division's profit margins are similar to pre-crisis levels with a limited impact from additional expenses associated with the health and safety requirements applicable to construction sites.

Although a plan for reducing overhead costs has also been implemented due to the Covid-19 crisis in order to cut back on some expenses, it will not mitigate the impact of the loss in volume.

Current economic operating profit/(loss) stood at -€8.0 million as of June 30, 2020 vs. €23.8 million as of June 30, 2019.

Net current cash flow (NCCF) was also down, reaching -€11.9 million as of June 30, 2020 compared to €13.8 million as of June 30, 2019.

NET PROFIT/(LOSS) AND NET CURRENT CASH FLOW

In millions of euros	**06/30/2020**	**06/30/2019**	**Change**	**Change (%)**
Current items:				
ECONOMIC REVENUE	**300.4**	**388.5**	**(88.1)**	**-22.7%**
CURRENT ECONOMIC OPERATING PROFIT/(LOSS) (a)	(8.0)	23.8	(31.8)	-133.7%
Current economic operating margin (current economic operating profit or loss/revenue)	-2.7%	6.1%		
OPERATING PROFIT/(LOSS)	**(9.4)**	**19.8**	**(29.2)**	
FINANCE INCOME/(EXPENSE)	**(4.5)**	**(0.0)**	**(4.5)**	
Corporate tax	3.1	(5.0)	8.2	
NET PROFIT/(LOSS)	(10.7)	14.7	(25.4)	
GROUP NET CURRENT CASH FLOW	**(11.9)**	**13.8**	**(25.8)**	**-186.2%**
Non-current items (b)	(5.2)	(2.7)	(2.5)	
NET PROFIT/(LOSS) attributable to the Group	**(17.1)**	**11.1**	**(28.2)**	**-254.7%**

(a) Adjustment for trademark royalties and holding company costs.
(b) "Non-current items" include depreciation charges, gains or losses on disposals, fair value adjustments to financial instruments, and other non-recurring items.

PROPERTY DEVELOPMENT DIVISION'S WORKING CAPITAL REQUIREMENT AND DEBT

The working capital requirement and net debt include fully consolidated entities and joint ventures.

(in millions of euros)	**06/30/2020 (a)+(b)**	**12/31/2019 (a)+(b)**	**Change**
Residential Property Development	(305.0)	(302.7)	(2.3)
Office Property Development	(6.8)	20.0	(26.8)
NET WORKING CAPITAL REQUIREMENT – PROPERTY DEVELOPMENT	**(311.9)**	**(282.7)**	**(29.1)**
NET DEBT – PROPERTY DEVELOPMENT	**163.5**	**115.7**	**47.8**

(a) A negative number is a net asset, while a positive number is a net liability.
(b) WCR and net debt do not include urban development projects and risky land owned by the Group.

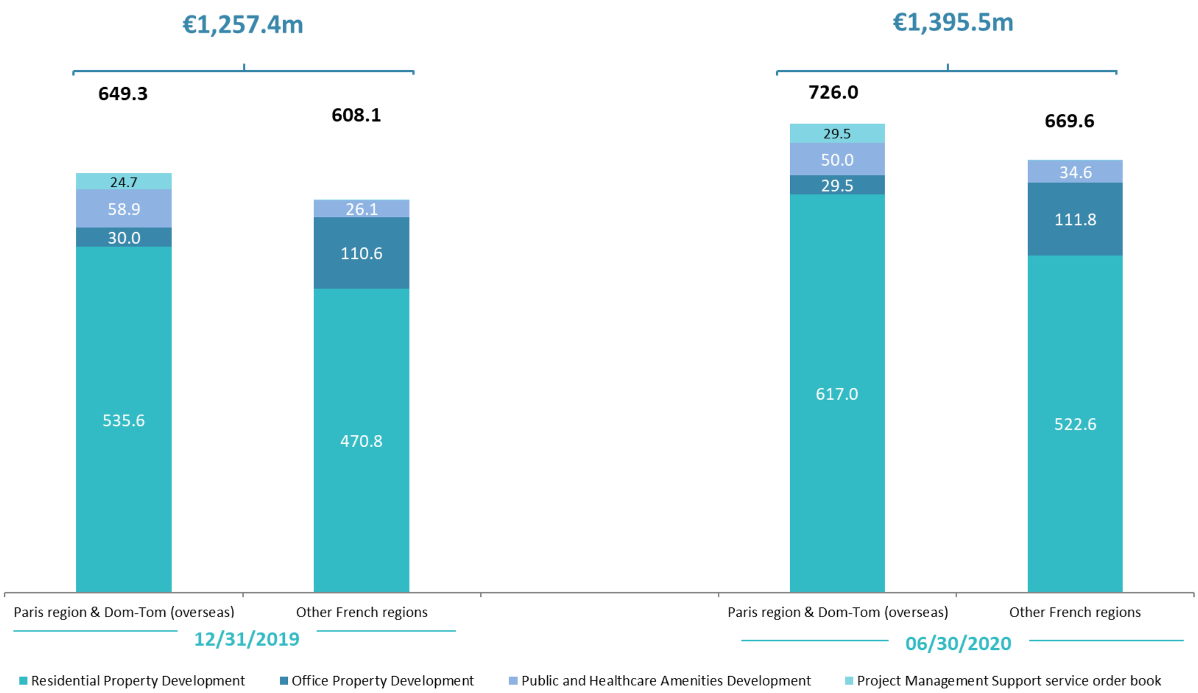
The working capital requirement (WCR) for Property Development increased by +€29.1 million compared to beginning of 2020 to €311.9 million, including +€2.3 million for the residential segment and +€26.8 million for the office segment as the business slowed down.

Net debt stood at €163.5 million, up +€47.8 million compared to December 31, 2019, mainly due to higher WCR (+€29.1 million) and net profit/(loss) as of June 30, 2020 (-€17.1 million).

PROPERTY DEVELOPMENT BACKLOG AND SERVICE ORDER BOOK

The backlog represents signed orders expressed in terms of revenues (excluding taxes) but not yet recognised for property development projects, based on the stage of completion.

The service order book represents service contracts (excluding taxes) that have been signed but have not yet been executed.

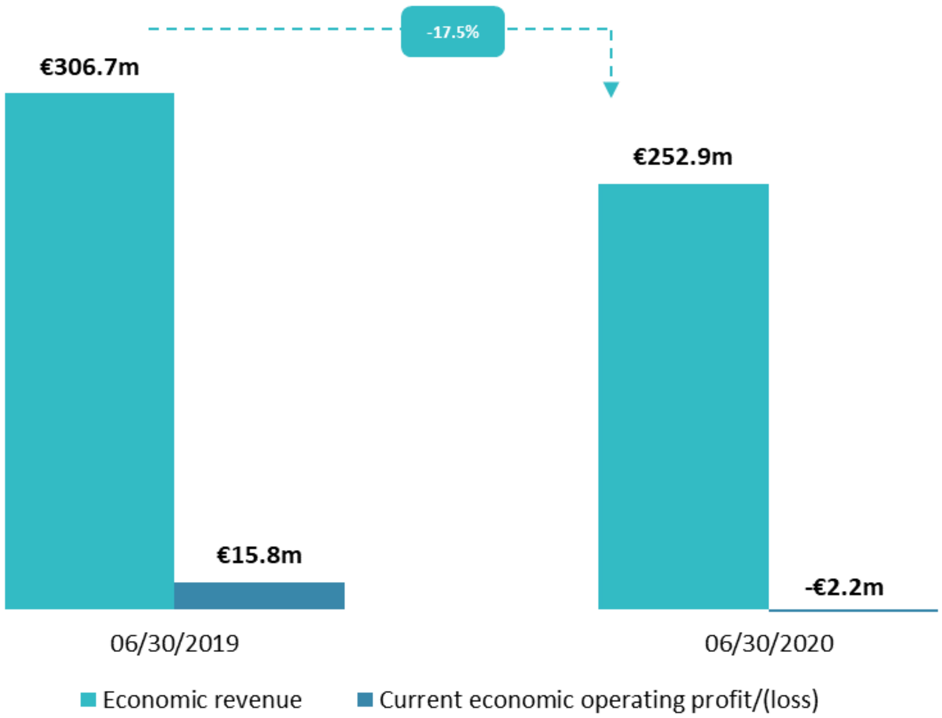


The total backlog of the Property Development Division as of June 30, 2020 rose by 11% compared to that reported at the end of 2019, standing at €1,395.5 million.

This change resulted from:

- An increase in the Residential Property Development backlog of 13.2%, due to new housing orders exceeding the revenue recorded in H1;
- A stable Office Property Development and Public and Healthcare Amenities Development backlog;
- Regarding its Delegated Project Management business, Icade Promotion was awarded two major contracts for healthcare and public infrastructure projects:
  - With Rennes University Hospital for the construction of over 50,000 sq.m of medical space (Interventional and Surgical Centre) for €0.5 million;
  - With UNESCO for the complete overhaul of a building covering nearly 16,000 sq.m next to its Paris headquarters, for €0.9 million.

3.1. Residential Property Development



H1 2020 revenue for the residential segment amounted to €252.9 million, down 17.5% year-on-year. This decrease resulted primarily from the impact of the health crisis.

This revenue was driven in particular by the contribution of two major bulk sales of serviced residences in June (sale of 636 units for a student residence in Villejuif and sale of 769 units for another student residence, a seniors' residence and a hotel in Ivry-sur-Seine).

As a direct result of lower revenue, current economic operating profit/(loss) from the residential segment came in at -€2.2 million as of June 30, 2020.

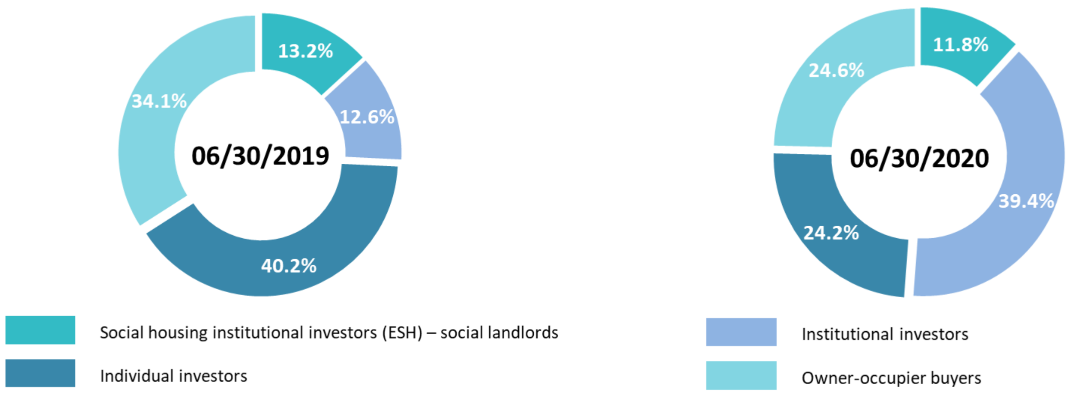
MAIN PHYSICAL INDICATORS AS OF JUNE 30, 2020

Business indicators (*)	06/30/2020	06/30/2019	Change
PROPERTIES PUT ON THE MARKET			
Paris region & DOM-TOM (overseas)	947	1,003	(5.6%)
Other French regions	1,144	1,276	(10.3%)
TOTAL UNITS *(**)*	**2,091**	**2,279**	**(8.2%)**
Paris region & DOM-TOM (overseas)	160.1	272.4	(41.2%)
Other French regions	266.0	297.2	(10.5%)
TOTAL REVENUE *(potential in millions of euros)*	**426.1**	**569.6**	**(25.2%)**
CONSTRUCTION STARTS			
Paris region & DOM-TOM (overseas)	2,032	873	132.8%
Other French regions	735	1,075	(31.6%)
TOTAL UNITS *(**)*	**2,767**	**1,948**	**42.0%**
Paris region & DOM-TOM (overseas)	387.8	247.1	56.9%
Other French regions	164.8	254.2	(35.2%)
TOTAL REVENUE *(potential in millions of euros)*	**552.5**	**501.3**	**10.2%**
NET HOUSING ORDERS			
Housing orders ***(in units) (**)***	2,181	2,242	(2.7%)
Housing orders ***(in millions of euros including taxes)***	481.6	519.0	(7.2%)
Housing order cancellation rate ***(in %)***	19.8%	17.4%	+2.4 pps
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m ***(in €/sq.m)***	4,985	4,107	21.4%
Average budget including taxes per housing unit ***(in €k)***	221.5	231.9	(4.5%)
Average floor area per housing unit ***(in sq.m)***	44.4	56.5	(21.3%)

(*) Business indicators are shown on a full consolidation basis (including projects undertaken by jointly controlled entities).

(**) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development.

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER: sharp increase in institutional investors



Customer type has changed significantly over the past year, with H1 2020 marked by the health crisis and the resulting decline in sales to individual buyers. Despite this, bulk sales to institutional investors accelerated as soon as the lockdown was eased in May 2020.

More specifically, the period saw:

- An increase in orders by institutional investors, driven mainly by a major order of 769 units (a student residence, seniors' residence and hotel) at the end of June for a project located in Ivry-sur-Seine.
- A -50% decline in orders by individuals due to the Covid-19 crisis, despite a positive sales performance at the beginning of the year. Even though some online orders were made during the lockdown, the absorption rate was down significantly (absorption rate for units sold individually at 4.8% in H1 2020 vs. 9.0% in H1 2019).

Order levels have increased since May 11. However, they have not been enough to make up for the sharp slowdown in March and April which caused delays in obtaining building permits and putting properties on the market.

Properties put up for sale were down both in volume and value terms. In the run-up to the municipal elections, especially during the lockdown period, very few local authorities processed building permit applications, and even fewer accepted submissions of new applications. This was mainly due to the effort involved in tackling the health crisis, the lack of online services and the ultimate postponement of the second round of the elections.

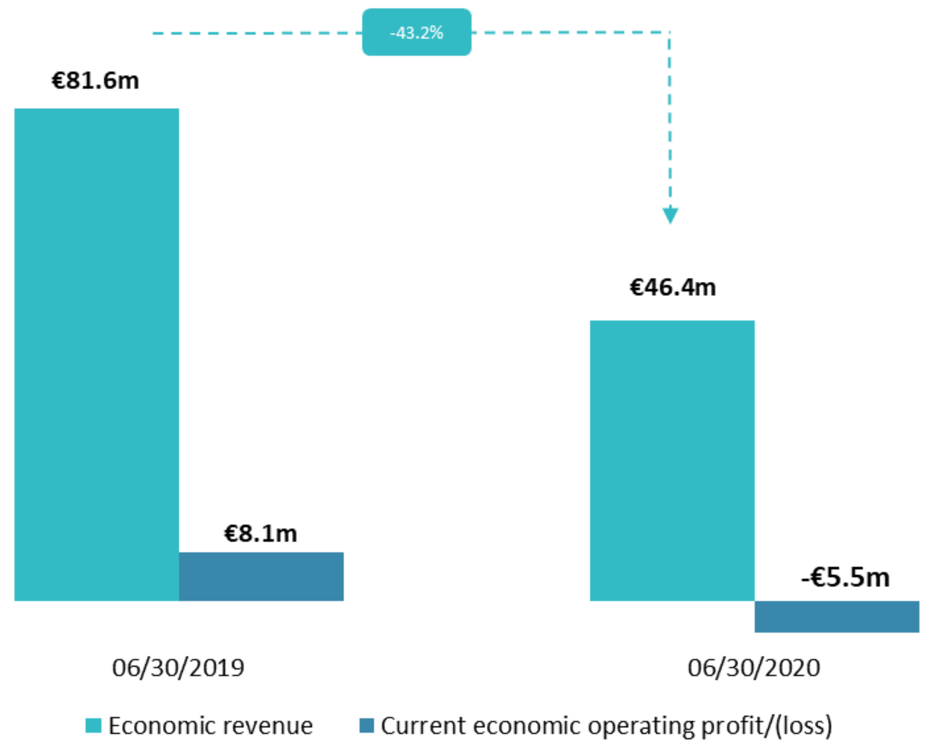
The sharp rise in housing starts (+42.0% in volume terms) related to several projects in the Paris region (Villejuif, Ivry-sur-Seine).

The unsold housing stock remained at a reasonable level, with 80 units for €11.8 million at the end of the period vs. 102 units for €15.2 million at the end of 2019.

A growing land portfolio

In H1 2020, the portfolio of residential land[1] and building plots represented 10,561 units on a proportionate consolidation basis and potential revenue of €2.2 billion[2], a 5% increase from December 31, 2019 (10,456 units for €2.0 billion[2]).

3.2. Office Property Development



H1 2020 saw a sharp decline in Office Property Development and Public and Healthcare Amenities Development revenue (€46.4 million in H1 2020 vs. €81.6 million in H1 2019).

Office, Hotel and Retail portfolio

As of June 30, 2020, Icade Promotion had a portfolio of Office Property Development projects of around 676,974 sq.m (vs. 579,552 sq.m as of June 30, 2019), including 92,628 sq.m under construction.

In June 2020, Icade Promotion signed an off-plan sale with Cofinance for the Totem office building in the Le Pôle district in Villeurbanne (6,150 sq.m).

Projects completed in H1 related to the completion of Take-off, a 6,760-sq.m office building sold to Foncière INEA in the immediate vicinity of the Toulouse-Blagnac International Airport.

---

[1] Estimated number of units and revenue from projects for which a preliminary sale agreement for land has been signed and which have not yet been put on the market.

[2] Revenue excluding taxes taking into account the Group's ownership interest in joint ventures over which the Group exercises joint control.

Public and Healthcare Amenities Development

As of June 30, 2020, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 117,164 sq.m (160,574 sq.m as of June 30, 2019), including 64,562 sq.m under construction. Most of the projects in this portfolio were located in Metropolitan France excluding the Paris region and in the French overseas departments and territories (DOM-TOM).

Icade Promotion signed an off-plan sale agreement on behalf of Icade Santé for a 106-bed post-acute care facility in Le Perreux-sur-Marne and a property development contract to build an 80-bed post-acute care facility in Toulouse-Blagnac. These facilities will be leased to Korian as part of its partnership with Icade.

Projects completed during the half-year represented 7,087 sq.m.

3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2020

1. Consolidated financial statements as of June 30, 2020

Unless otherwise stated, the consolidated financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. Rounding differences may therefore occur in the financial statements presented.

Consolidated income statement

(in millions of euros)	Notes	06/30/2020	06/30/2019	12/31/2019
Revenue	7.1	**622.0**	**678.5**	**1,522.9**
Other income from operations		1.1	0.9	4.3
Income from operating activities		**623.1**	**679.4**	**1,527.2**
Purchases used		(229.6)	(273.7)	(704.6)
Outside services		(47.1)	(42.3)	(83.9)
Taxes, duties and similar payments		(3.0)	(3.5)	(5.5)
Staff costs, performance incentive scheme and profit sharing		(66.1)	(65.4)	(134.4)
Other operating expenses		(5.8)	(7.3)	(12.7)
Expenses from operating activities		**(351.6)**	**(392.1)**	**(941.1)**
EBITDA		271.5	287.3	586.1
Depreciation charges net of government investment grants		(182.1)	(169.2)	(336.6)
Charges and reversals related to impairment of tangible, financial and other current assets	4.3.2	(8.9)	22.2	9.9
Profit/(loss) from acquisitions		(0.2)	-	(5.1)
Profit/(loss) on asset disposals		1.5	4.3	207.3
Share of net profit/(loss) of equity-accounted companies	8.1.1	(6.1)	(8.0)	(10.7)
OPERATING PROFIT/(LOSS)		75.6	136.6	450.9
Cost of gross debt		(55.0)	(51.1)	(105.5)
Net income from cash and cash equivalents, related loans and receivables		3.7	3.7	7.0
Cost of net financial liabilities		**(51.3)**	**(47.4)**	**(98.5)**
Other finance income and expenses		(2.3)	(18.8)	(8.5)
FINANCE INCOME/(EXPENSE)	5.1.4	(53.6)	(66.2)	(107.0)
Tax expense	9.1	1.9	(6.4)	(8.1)
Net profit/(loss) from continuing operations		24.0	64.0	335.7
Profit/(loss) from discontinued operations		-	2.9	2.5
NET PROFIT/(LOSS)		**24.0**	**66.9**	**338.2**
Including net profit/(loss) attributable to the Group		**5.2**	**47.0**	**300.2**
- Including continuing operations		5.2	44.1	297.7
- Including discontinued operations		-	2.9	2.5
Including net profit/(loss) attributable to non-controlling interests		**18.9**	**19.9**	**38.0**
Basic earnings per share attributable to the Group (in €)	6.3.1	**€0.07**	**€0.64**	**€4.06**
- Including continuing operations per share		€0.07	€0.60	€4.03
- Including discontinued operations per share		-	€0.04	€0.03
Diluted earnings per share attributable to the Group (in €)	6.3.2	**€0.07**	**€0.63**	**€4.06**
- Including continuing operations per share		€0.07	€0.60	€4.02
- Including discontinued operations per share		-	€0.04	€0.03

Consolidated statement of comprehensive income

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
NET PROFIT/(LOSS)	24.0	66.9	338.2
Other comprehensive income:			
- Recyclable to the income statement – cash flow hedges	**(23.1)**	**(45.7)**	**(32.1)**
- Change in fair value	(22.6)	(45.2)	(37.1)
- Recycling to the income statement	(0.5)	(0.4)	5.0
- Non-recyclable to the income statement	**0.9**	**(1.0)**	**(1.8)**
- Actuarial gains and losses	1.1	(1.2)	(2.1)
- Taxes on actuarial gains and losses	(0.2)	0.2	0.3
Comprehensive income recognised in equity	**(22.2)**	**(46.6)**	**(33.9)**
- Including transfer to net profit/(loss)	(0.5)	(0.4)	5.0
COMPREHENSIVE INCOME	1.9	20.2	304.3
- Attributable to the Group	**(12.4)**	**7.9**	**271.8**
- Attributable to non-controlling interests	**14.2**	**12.4**	**32.5**

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	06/30/2020	12/31/2019
Goodwill	8.2.1	45.3	45.3
Other intangible fixed assets		20.0	19.5
Tangible fixed assets		55.1	61.2
Net investment property	4.1.1	9,726.5	9,760.7
Equity-accounted investments	8.1	135.4	132.1
Financial assets at fair value through profit or loss	5.1.5	23.8	23.8
Financial assets at amortised cost	5.1.5	11.2	8.1
Derivative assets	5.1.3	-	0.4
Deferred tax assets		14.5	14.8
NON-CURRENT ASSETS		10,031.9	10,065.8
Inventories and work in progress	7.2.2	500.5	563.1
Contract assets	7.2.3	236.8	327.3
Accounts receivable	7.2.3	353.0	344.5
Tax receivables		13.4	19.6
Miscellaneous receivables		290.0	344.0
Other financial assets at fair value through profit or loss	5.1.5	3.7	0.0
Financial assets at amortised cost	5.1.5	88.2	66.5
Derivative assets	5.1.3	7.0	5.9
Cash and cash equivalents	5.1.6	894.8	767.1
Assets held for sale and discontinued operations	4.1.2	9.8	9.8
CURRENT ASSETS		2,397.1	2,447.7
TOTAL ASSETS		**12,429.0**	**12,513.5**

LIABILITIES

(in millions of euros)	Notes	06/30/2020	12/31/2019
Share capital	6.1.1	113.6	113.6
Share premium		2,644.4	2,644.4
Treasury shares		(44.2)	(43.6)
Revaluation reserves	5.1.3	(53.3)	(34.8)
Other reserves		193.0	188.9
Net profit/(loss) attributable to the Group		5.2	300.2
Equity attributable to the Group		**2,858.8**	**3,168.7**
Non-controlling interests		856.6	926.1
EQUITY		3,715.4	4,094.8
Provisions	10.1	31.0	32.0
Financial liabilities at amortised cost	5.1.1	5,836.4	6,134.7
Lease liabilities		57.0	59.1
Tax liabilities		15.0	15.2
Deferred tax liabilities		11.6	13.3
Other financial liabilities		70.5	69.2
Derivative liabilities	5.1.3	75.4	53.6
NON-CURRENT LIABILITIES		6,096.8	6,377.1
Provisions	10.1	42.4	42.8
Financial liabilities at amortised cost	5.1.1	1,355.2	703.3
Lease liabilities		8.5	8.9
Tax liabilities		16.7	16.0
Contract liabilities	7.2.3	37.6	12.1
Accounts payable		487.4	662.0
Miscellaneous payables		659.7	588.1
Other financial liabilities		1.9	1.4
Derivative liabilities	5.1.3	1.0	0.8
Liabilities related to assets held for sale and discontinued operations	4.1.2	6.3	6.3
CURRENT LIABILITIES		2,616.8	2,041.6
TOTAL LIABILITIES AND EQUITY		**12,429.0**	**12,513.5**

Consolidated cash flow statement

(in millions of euros)	Notes	06/30/2020	06/30/2019	12/31/2019
I) OPERATING ACTIVITIES				
Net profit/(loss)		**24.0**	**66.9**	**338.2**
Net depreciation and provision charges		193.7	142.1	319.4
Unrealised gains and losses due to changes in fair value		(4.4)	(1.0)	3.7
Other non-cash income and expenses		2.8	4.8	7.9
Capital gains or losses on asset disposals		(2.0)	3.3	(220.3)
Capital gains or losses on disposals of investments in consolidated companies		-	(3.0)	(2.9)
Share of profit/(loss) of equity-accounted companies		6.1	8.0	10.7
Dividends received		(0.3)	(0.9)	(16.9)
Cash flow from operating activities after cost of net financial liabilities and tax		**220.0**	**220.3**	**439.8**
Cost of net financial liabilities		50.7	49.2	88.1
Tax expense		(1.9)	6.4	8.1
Cash flow from operating activities before cost of net financial liabilities and tax		**268.7**	**275.9**	**536.0**
Interest paid		(50.2)	(51.8)	(110.5)
Tax paid		6.3	(12.8)	(41.8)
Change in working capital requirement related to operating activities	7.2.1	53.3	(17.5)	(14.7)
NET CASH FLOW FROM OPERATING ACTIVITIES		**278.0**	**193.8**	**369.0**
II) INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment property				
- acquisitions		(203.2)	(303.2)	(785.9)
- disposals		2.4	30.3	723.8
Change in security deposits paid and received		0.6	(9.3)	(1.6)
Change in financial receivables		0.8	0.7	1.5
Operating investments		**(199.3)**	**(281.5)**	**(62.3)**
Investments in subsidiaries				
- acquisitions		-	-	(485.1)
- disposals		-	2.9	2.7
- impact of changes in scope of consolidation		-	-	104.1
Investments in equity-accounted companies and unconsolidated companies				
- acquisitions		(3.2)	(12.6)	(8.7)
- disposals		-	-	0.0
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		(0.6)	0.1	20.3
Financial investments		**(3.8)**	**(9.5)**	**(366.7)**
NET CASH FLOW FROM INVESTING ACTIVITIES		**(203.1)**	**(291.0)**	**(429.0)**
III) FINANCING ACTIVITIES				
Amounts received from non-controlling interests on capital increases		-	50.0	123.4
Dividends paid during the financial year				
- final and interim dividends paid to Icade SA shareholders	6.2	(178.2)	(170.0)	(340.0)
- final and interim dividends paid to non-controlling interests		(84.1)	(67.5)	(72.8)
Repurchase of treasury shares		(0.9)	(10.4)	(7.0)
Acquisitions and disposals of investments with non-controlling interests		(0.5)	9.0	149.3
Change in cash from capital activities		**(263.6)**	**(189.0)**	**(147.2)**
Bond issues and new financial liabilities		779.8	1,136.5	1,769.2
Bond redemptions and repayments of financial liabilities		(438.2)	(900.8)	(1,287.9)
Repayments of lease liabilities		(4.2)	(4.4)	(8.7)
Acquisitions and disposals of current financial assets and liabilities		(20.1)	20.2	(175.1)
Change in cash from financing activities	**5.1.1**	**317.3**	**251.5**	**297.5**
NET CASH FLOW FROM FINANCING ACTIVITIES		**53.7**	**62.5**	**150.3**
NET CHANGE IN CASH (I) + (II) + (III)		**128.6**	**(34.6)**	**90.3**
OPENING NET CASH		**662.0**	**571.7**	**571.7**
CLOSING NET CASH		**790.6**	**537.1**	**662.0**
Cash and cash equivalents (excluding interest accrued but not due)		894.3	618.3	766.0
Bank overdrafts (excluding interest accrued but not due)		(103.6)	(81.2)	(104.0)
NET CASH		**790.6**	**537.1**	**662.0**

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
Equity as of 12/31/2018	113.6	2,712.2	(37.2)	(8.2)	404.8	3,185.2	751.5	3,936.7
Net profit/(loss)					47.0	**47.0**	19.9	**66.9**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				(37.9)		**(37.9)**	(7.4)	**(45.2)**
- Recycling to the income statement				(0.2)		**(0.2)**	(0.2)	**(0.4)**
Other non-recyclable items:								
- Actuarial gains and losses					(1.2)	**(1.2)**		**(1.2)**
- Taxes on actuarial gains and losses					0.2	**0.2**		**0.2**
Comprehensive income for the financial year				**(38.1)**	**46.0**	**7.9**	**12.4**	**20.2**
Dividends paid					(341.5)	**(341.5)**	(69.8)	**(411.3)**
Capital increase							50.0	**50.0**
Treasury shares			(10.2)			**(10.2)**		**(10.2)**
Other					0.1	**0.1**	9.9	**10.0**
Equity as of 06/30/2019	113.6	2,644.4	(47.4)	(46.4)	177.3	2,841.6	753.9	3,595.5
Net profit/(loss)					253.2	**253.2**	18.1	**271.3**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				6.1		**6.1**	2.0	**8.2**
- Recycling to the income statement				5.5		**5.5**		**5.5**
Other non-recyclable items:								
- Actuarial gains and losses					(0.9)	**(0.9)**		**(0.9)**
- Taxes on actuarial gains and losses					0.1	**0.1**		**0.1**
Comprehensive income for the period				**11.6**	**252.4**	**264.0**	**20.1**	**284.1**
Dividends paid		(67.8)			69.3	**1.5**	(4.4)	**(2.9)**
Capital increase							73.3	**73.3**
Treasury shares			3.8			**3.8**		**3.8**
Other (a)					58.0	**58.0**	83.1	**141.0**
Equity as of 12/31/2019	113.6	2,644.4	(43.6)	(34.8)	489.1	3,168.7	926.1	4,094.8
Net profit/(loss)					5.2	**5.2**	18.9	**24.0**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				(18.1)		**(18.1)**	(4.5)	**(22.6)**
- Recycling to the income statement				(0.3)		**(0.3)**	(0.2)	**(0.5)**
Other non-recyclable items:								
- Actuarial gains and losses					1.1	**1.1**		**1.1**
- Taxes on actuarial gains and losses					(0.2)	**(0.2)**		**(0.2)**
Comprehensive income for the financial year				**(18.5)**	**6.1**	**(12.4)**	**14.2**	**1.9**
Dividends for the financial year 2019					(297.5)	**(297.5)**	(84.0)	**(381.5)**
Treasury shares (b)			(0.6)			**(0.6)**		**(0.6)**
Other					0.5	**0.5**	0.3	**0.8**
Equity as of 06/30/2020	**113.6**	**2,644.4**	**(44.2)**	**(53.3)**	**198.2**	**2,858.8**	**856.6**	**3,715.4**

(a) In 2019, the increase in non-controlling interests stemmed primarily from the sale of a 49% interest in SAS Tour Eqho.

(b) Treasury shares went down from 594,031 as of December 31, 2019 to 603,541 as of June 30, 2020.

2. Notes to the condensed consolidated financial statements as of June 30, 2020

Note 1. General principles

1.1. General information

Icade ("the Company") is a French public limited company (SA, *société anonyme*). Its registered office is situated at 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France.

The Company's consolidated financial statements as of June 30, 2020 reflect the financial position and profits and losses of the Company and its subsidiaries ("the Group"), as well as the Group's investments in equity-accounted companies (joint ventures and associates). They were prepared in euros, which is the Company's functional currency.

As of June 30, 2020, the Group was an integrated real estate player, operating both as an office and healthcare property investor and as a developer of residential and office properties and large-scale public amenities, especially healthcare facilities.

1.2. Accounting standards

The Group's condensed consolidated financial statements for the half-year ended June 30, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of June 30, 2020, pursuant to European Regulation No. 1606/2002 dated July 19, 2002, and include comparative information (H1 2019 and/or December 31, 2019) prepared under the accounting standards applicable at the reporting date.

The international accounting standards are issued by the IASB (International Accounting Standards Board) and have been adopted by the European Union. They include the IFRS, the IAS (International Accounting Standards) and their interpretations. These standards are available for viewing on the European Commission's website.

The accounting methods and measurement bases used by the Group in preparing the condensed consolidated financial statements are identical to those used for the consolidated financial statements as of December 31, 2019, subject to the specific provisions of IAS 34 – Interim financial reporting described in note 1.3.3, and except for those mandatory standards, interpretations and amendments to be applied for periods beginning on or after January 1, 2020, which are detailed in note 1.2.1 below.

Standards, amendments and interpretations

1.2.1. Mandatory standards, amendments and interpretations adopted by the European Union which became effective on January 1, 2020

- Amendments to IFRS 3 – New definition of a business:

On April 21, 2020, the European Union adopted an amendment to IFRS 3 that revises the definition of a business. Henceforth, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output.

In practice, this amendment narrows the definition of the term "business" to focus on goods and services provided to customers, introduces an optional concentration test (to determine whether substantially all of the fair value of the assets acquired is concentrated in a single asset) and assesses whether an acquired process is substantive. In addition, there is no longer the presumption that goodwill arising from an acquisition signifies the existence of a business. Two conditions that previously had to be met for an acquisition to be considered a business have also been removed (namely market participants being able to replace an input or a process and the integrated set being able to provide lower costs to the acquirer).

As a result of applying this amendment, the first paragraph of the "Business combinations" section in note 3 to the Group's consolidated financial statements as of December 31, 2019 has been amended as follows: "To determine whether a transaction is a business combination under the revised IFRS 3, the Group analyses whether a business has been acquired and not just property and whether this integrated set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output."

The application of this amendment has had no impact on the Group's condensed consolidated financial statements as of June 30, 2020.

- Amendments to IAS 39, IFRS 7 and IFRS 9 – Interest Rate Benchmark (IBOR) Reform – Phase 1

On September 26, 2019, the IASB published an amendment to IFRS 9 and IAS 39 with respect to the reform of interest rate benchmarks, which are used to value many financial instruments. The Group early adopted this amendment, whose application became mandatory on January 1, 2020, in preparing its consolidated financial statements as of December 31, 2019.

This amendment was prepared against the backdrop of interbank offered rates (IBOR) being replaced with new benchmarks worldwide. In Europe, the main rates affected include EONIA and EURIBOR which have been replaced by ESTER and a hybrid EURIBOR respectively.

The main consequences of the reform relate to the possible discontinuation of hedge accounting, the modification or derecognition of certain contracts and the recognition of gains or losses resulting from the modification of certain contracts.

Phase 1 of the reform deals solely with the effect on hedge accounting before new interest rate benchmarks come into effect. For the Group, Phase 1 applies to interest rate swaps as described in note 5.1.3 that are considered cash flow hedges with maturities starting after January 1, 2022, the date at which EURIBOR will no longer be published. The Group has worked on amending hedging contracts and hedged debt alongside its banking partners since 2019 with this work scheduled for completion by 2022. Application of Phase 1 of the reform had no material impact on the Group's consolidated financial statements as of December 31, 2019 or its condensed consolidated financial statements as of June 30, 2020.

The IASB published an exposure draft in April 2020 for Phase 2 of the reform which deals specifically with the consequences of the modifications made to the contracts. Phase 2 amendments are scheduled to become effective for annual periods beginning on or after January 1, 2021 with early application permitted. The Group is currently working on assessing the impact of Phase 2 of the reform on its hedging contracts.

Other standards, interpretations, amendments and decisions issued by the IFRS Interpretations Committee (IFRS IC)

- IFRS IC decision on IFRS 16 – Leases

In November 2019, the IFRS IC reached a final decision on determining lease terms and specifically on determining (i) the enforceable period of the lease and (ii) the useful life of any related non-removable leasehold improvements.

According to the IASB,

- The lease term should reflect an entity's reasonable expectation of the period during which the underlying asset will be used. The enforceability of the contract should therefore be assessed from both an economic and legal standpoint;
- The useful life of any related non-removable leasehold improvements should be assessed from an economic standpoint and aligned with the lease term.

The Group is currently estimating the impact of this decision on determining its lease terms and does not anticipate that it will have a significant effect on its consolidated financial statements. The accounting principles used by the Group with respect to determining the reasonably certain lease term as described in note 1.2.1 to the consolidated financial statements for the year ended December 31, 2019 thus continue to apply as of June 30, 2020.

- Amendments to IAS 1 and IAS 8 – Revised definition of material;
- Amendments to references to the Conceptual Framework in IFRS Standards.

The application of these guidelines has had no impact on the Group's consolidated financial statements.

1.2.2. Standards, amendments and interpretations issued by the IASB but not yet adopted by the European Union

Effective from June 1, 2020:

- Amendment to IFRS 16 – Covid-19-related rent concessions

This amendment provides an optional practical expedient and is effective for annual reporting periods beginning on or after June 1, 2020 without restatement of comparative periods. Earlier application is permitted subject to the European Union's approval.

It provides lessees with the option to apply an exemption from the requirement to determine whether a Covid-19-related rent concession is a lease modification and enables them to account for these concessions as if they were not lease modifications.

As the Group has received no rent concessions, this amendment is not relevant to its operations.

Effective from January 1, 2022:

- Amendment to IFRS 3 – Updating references to the Conceptual Framework
- Annual improvements to IFRS Standards – 2018-2020 Cycle (IFRS 1, IFRS 9, IAS 41, IFRS 16)
- Amendment to IAS 16 – Proceeds before intended use
- Amendment to IAS 37 – Onerous contracts – Cost of fulfilling a contract
- Amendment to IAS 1 – Classification of liabilities as current or non-current (possible deferral of the effective date to January 1, 2023)

Effective from January 1, 2023:

- IFRS 17 – Insurance contracts

Originally issued with a mandatory effective date of January 1, 2021, the IASB decided in March 2020 to defer the effective date of this standard to January 1, 2023. It applies to any company that writes insurance contracts, reinsurance contracts or investment contracts with discretionary participation features. It is not applicable to the Group.

1.3. Basis of preparation and presentation of the consolidated financial statements

1.3.1. Measurement bases

The consolidated financial statements have been prepared according to the amortised cost method, with the exception of certain financial assets and liabilities measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 – Fair value measurement utilises a fair value hierarchy across three levels:

- Level 1: fair value measured based on unadjusted prices quoted in active markets for identical assets or liabilities;
- Level 2: fair value measured based on models using observable data, either directly (i.e. prices), or indirectly (i.e. data derived from prices);
- Level 3: fair value measured based on market data not directly observable.

According to the principle of relevance and the ensuing materiality notion, only information deemed relevant and useful to the users' understanding of the consolidated financial statements is reported.

1.3.2. Use of judgement and estimates

The preparation of consolidated financial statements requires the Group's management to use estimates and assumptions to determine the value of certain assets, liabilities, income and expenses, as well as for the information provided in the notes to the consolidated financial statements.

The accounting estimates used to prepare the financial statements as of June 30, 2020 were made amid an economic and health crisis (the "Covid-19 crisis") that generated considerable uncertainty about the economic and financial outlook. In this context of high uncertainty for the financial year, the Group considered the reliable information at its disposal at the time the condensed consolidated financial statements were prepared with respect to the impact of this crisis. Its key estimates are listed below:

- Recoverable amounts, in particular in the valuation of property assets carried out by independent property valuers (see note 4.2) and in testing goodwill for impairment in the cash-generating unit of the Residential Property Development Division based on a valuation carried out by an independent valuer (see note 2.1);
- Measurement of credit risk arising from accounts receivable and contract assets (see note 2.1);
- Measurement of revenue based on the percentage of completion method for construction and off-plan sale contracts following the review of property developments whose land is controlled by the Group (see note 2.1).

Due to the uncertainties inherent in any measurement process, the Group revises its estimates on the basis of regularly updated information. The future results of the operations concerned may differ from the estimates made at the reporting date of the condensed consolidated financial statements.

In addition to using estimates, the Group's management uses its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS and their interpretations do not specifically address the accounting issues raised. In particular, management has exercised its judgement in:

- Determining the degree of control (sole or joint) by the Group over its investments or the existence of significant influence;
- Determining depreciation periods for investment property;
- Measuring the right-of-use assets and lease commitments that were used in applying IFRS 16 – Leases and, in particular, in determining lease terms;
- Determining the classification of leases in which the Group is the lessor between operating and finance leases;
- Recognising deferred tax assets, in particular tax loss carry forwards;
- Restating, in connection with the current crisis, the inefficiency costs resulting from the pandemic according to the percentages of completion determined for the recognition of revenue from construction and off-plan sale contracts (see note 2.1);
- Interpreting the contractual terms of the support measures granted to tenants (see note 2.1).

1.3.3. Specific rules applying to the preparation of condensed consolidated financial statements

Condensed consolidated financial statements do not include all the financial information required for annual consolidated financial statements and should therefore be read in conjunction with the Group's consolidated financial statements as of December 31, 2019.

In accordance with IAS 34, the tax expense for H1 2020 was calculated by applying, for each company, the average effective tax rate estimated for the full financial year to the profit/(loss) before tax for the interim period. This rate was estimated based on 2020 data approved by management.

In addition, the Group's property assets are valued twice a year by independent valuers in accordance with the methods described in note 4.2.

Note 2. H1 2020 highlights

2.1. Covid-19 crisis

In March 2020, the World Health Organization declared the Covid-19 infectious respiratory disease to be a global pandemic. The pandemic (hereinafter the "Covid-19 crisis") has had a significant impact on the world economy, with a sharp economic slowdown in almost all sectors, particularly during the lockdown period.

The Group took a series of emergency measures as soon as the lockdown was announced in France in order to ensure it could continue its activities to the greatest extent possible while respecting the safety of its employees, maintaining its strong financial position and preserving its liquidity requirements.

The Group also contributed to national solidarity efforts by waiving rent receivables for Q2 2020 for SMEs with fewer than ten employees closed by decree, by reducing the 2019 dividend to the minimum required under the specific tax regime for listed real estate investment companies ("SIICs") to which Icade SA is subject, and by signing a €150 million solidarity-based revolving credit line. Over the term of the credit line, Institut Pasteur will receive up to €0.3 million from Icade to support Covid-19 research programmes, in particular those relating to candidate vaccines.

As of June 30, the Group's financial structure and liquidity position remained very solid:

- The impairment tests performed on the Group's investment property and goodwill at June 30, 2020 did not result in the recognition of any significant impairment losses (see specific sections below on the impairment tests performed on the goodwill of the Residential Property Development Division and the investment property of the Property Investment Divisions);
- In this uncertain market environment, unrealised capital gains on the property portfolio increased by €130.2 million as of June 30, 2020 compared to December 31, 2019;
- The Group did not make use of the emergency financing measures made available by the French government and was able to renegotiate and increase its maturing credit lines on advantageous financial terms that are also more socially responsible. An example of this was the signature of its first green credit line for €300 million in April 2020 (see note 2.3 for further details);
- Cash stood at €894.8 million as of June 30, 2020, reflecting a solid cash position;
- Although rent deferrals have been granted, impacting the average payment period for accounts receivable, no major new risks of tenant default with the potential to affect the Group's credit risk had been identified as of June 30, 2020.

The effects of the Covid-19 crisis on the Group's condensed consolidated financial statements as of June 30, 2020 are detailed below for each of the Group's business activities. The impacts identified cover only the first half of 2020. The estimates used were made in accordance with note 1.3.2 "Use of judgement and estimates". The effects of the Covid-19 crisis are expected to continue into the second half of the year.

2.1.1. Property Development:

The Property Development business has been affected by the health and economic consequences of the Covid-19 crisis:

- The lockdown measures resulted in the shutdown of more than 90% of its construction sites from mid-March to mid-May 2020. Sites gradually resumed activity from mid-May in compliance with the employee protection measures recommended in particular in the health and safety guidelines for construction companies.

To deal with this situation, the Group availed itself of the temporary lay-off scheme for a large part of the workforce of its Property Development business until the end of May 2020.

- Sales of the Group's property developments also slowed during the lockdown period, but the Group was able to limit the adverse effects of the crisis by accelerating the rollout of its online order solutions.

This situation adversely impacted the revenue and profit margins as of June 30, 2020 which were recognised for the Property Development Division using the percentage-of-completion method.

The main effects of the crisis on the costs of the Property Development business as of June 30, 2020 are described below:

- Additional costs on construction sites and impact on the recognition of revenue and profit margins based on the percentage-of-completion method:

The Group has identified and analysed the additional costs generated by the Covid-19 crisis. They are estimated, to date and as a first assessment, at €1.7 million for H1 and have not been included in the construction costs used to determine the stage of completion of the construction projects on which revenue recognition was based. The method for revenue recognition is based on incurred costs. These costs have been recognised directly as expenses for the period, in accordance with IFRS 15.

They include the cost of inefficiencies generated by the Covid-19 crisis, such as monitoring or security costs for shut-down construction sites, expenses directly related to the shutting down and restarting of the sites, purchases of additional materials and costs relating to health and safety measures.

Due to the current uncertainty, this amount will be updated in H2 2020.

- Use of the temporary lay-off scheme and impact on staff costs:

The Group, as beneficiary of government compensation under the temporary lay-off scheme, has chosen to recognise this government grant as a reduction in staff costs, in accordance with IAS 20. The income received by the Group under the temporary lay-off scheme totalled €0.7 million. The costs borne by the Group under the temporary lay-off scheme amounted to €0.3 million for H1 2020.

- Valuation of inventories, receivables and contract assets:

The Group carried out impairment tests as of June 30, 2020 on the inventories, accounts receivable and contract assets of its Property Development business based on the information available to date. No significant impairment charges have been recognised. In view of the uncertain outlook for the property development market in H2 2020, a further test will be carried out as of December 31, 2020. Any downward adjustment to the value of the assets shall be recognised in accordance with IFRS 9 for trade receivables and contract assets and IAS 2 for inventories.

- Measurement of deferred tax assets:

The Group has taken the Covid-19 crisis into account in the valuation and recognition as of June 30, 2020 of the deferred tax assets arising mainly from tax loss carryforwards generated during the period by ensuring that it will have future taxable income against which to offset these tax losses. As of June 30, 2020, the Group recognised tax income of €5.6 million for the loss generated in H1 2020.

- Impairment test on goodwill of the Residential Property Development Division:

The economic consequences of the Covid-19 crisis, characterised in particular by a drop in demand, have impacted the expected future cash flows of the Residential Property Development Division, indicating a potential impairment and, therefore, requiring an impairment test as of June 30, 2020 on the goodwill associated with the Residential Property Development cash-generating unit (€42 million) in accordance with IAS 36. This impairment test consists of comparing the recoverable amount of the cash-generating unit to its net carrying amount at the reporting date of the consolidated financial statements. According to IAS 36, the recoverable amount is the higher of the fair value less costs of disposal and the value in use (DCF method). As of June 30, 2020, the recoverable amount of the Residential Property Development Division's CGU, which was determined based on an independent valuation, was greater than its carrying amount. Therefore, the goodwill associated with the Residential Property Development Division was not impaired (see note 8.2).

2.1.2. Office and Healthcare Property Investment:

Given the nature of its properties, the Office and Healthcare Property Investment Divisions have, to date, not recorded any significant impact on their rental income for the period.

The main effects of the Covid-19 crisis on the income statement and financial position of the Property Investment business as of June 30, 2020 are described below:

- Waivers of receivables

The Group contributed to national solidarity efforts by waiving rent receivables for Q2 2020 for SMEs with fewer than ten employees or for tenants subject to measures taken by the French government, e.g. closures ordered by decree. As a result, a €2.2 million expense was recognised for the half-year.

- Tenant receivables

The Group has granted some of its tenants deferrals on Q2 rents (from payable in advance to payable in arrears). These deferrals increased trade receivables as of June 30, 2020 by €23.0 million (see note 7.2.3).

The Group has maintained its policy on the impairment of receivables. As at each reporting date, a case-by-case analysis was carried out to assess credit risk and impair, where appropriate, receivables from tenants at risk of default. Such risk is relatively limited as large companies (CAC 40 and SBF 120) and government agencies comprise 50% of tenants and provide 70% of gross rental income, including tenants to which rent deferrals have been granted. No risk of default had been identified as of June 30, 2020 for these counterparties. This issue will be specifically monitored in H2 2020.

In addition, discussions are ongoing between the Group and some of its tenants. Given their nature and duration, the outcome of the current negotiations will only be known in H2 2020.

- Projects under development

The Covid-19 crisis is expected to result in completion delays and additional costs relating to the pandemic. These include costs associated with shutting down and restarting construction sites, health and safety costs, any late completion penalties to be paid to tenants for buildings already pre-let (notwithstanding the exceptional measures taken by the government in this respect). Analyses and negotiations were ongoing as of June 30, 2020, the conclusions and effects of which will be known in H2 2020.

- Valuation of investment properties

As at each reporting date, investment property was valued by independent property valuers as described in note 4.2. These valuations were performed amid the uncertainty surrounding the recent Covid-19 crisis, with no transactions having been initiated since the start of this crisis, and the difficulties in forecasting the direction of real estate markets. As a result, the assumptions used by the valuers at this stage may be revised significantly in H2.

The impact of exceptional costs related to the Covid-19 health and economic crisis on the financial statements as of June 30, 2020 stood at €4.7 million.

2.2. Investments and disposals completed

2.2.1. Office Property Investment

Investments continued during the half-year, primarily focused on projects under development in the Paris region and off-plan sale projects in Lyon and Toulouse.

2.2.2. Healthcare Property Investment

The main transactions completed during the half-year included:

- Continued international expansion with the acquisition of a nursing home in Italy;
- The acquisition of a nursing home operated by Korian in Carcassonne, France.

For further information about investments and disposals completed during the half-year, an analysis has been provided in note 4.1.1 “Investment property”.

2.3. Finance and changes in net financial liabilities

In H1, against the backdrop of the Covid-19 health crisis, the Group took a number of measures, including:

- Renewing its backup lines of credit, in particular by signing a new seven-year green credit facility on April 21, 2020 for €300.0 million replacing lines maturing in 2020 for €290.0 million. The attractive and innovative financial terms of this first green credit line are based on a 45% target reduction in the carbon intensity of the Office Property Investment Division between 2015 and 2025, measured annually;

- Increasing its credit lines, in particular by signing a five-year €150.0 million solidarity-based revolving credit line with Crédit Agricole CIB and Crédit Agricole d’Île-de-France. It includes a mechanism by which both banks waive part of their remuneration. These funds, combined with those donated by Icade for the same amount, will be allocated to research on Covid-19 vaccines carried out by Institut Pasteur.

For further information about changes in the Group’s finance during the period, a complete review has been provided in note 5 “Finance and financial instruments”.

2.4. Dividend distribution

In response to the French government’s urging related to the current public health emergency and in line with our commitment to act responsibly, the Company’s Board of Directors met on April 1, 2020 and decided to lower the 2019 dividend amount. This decision was approved by the General Meeting on April 24, 2020.

As a result, the dividend was aligned with the Company’s SIIC dividend payment obligations, i.e. a total dividend of €4.01 per share, instead of €4.81 per share that was initially proposed.

The payment terms for dividends payable in 2020 by the Company to its shareholders in respect of the financial year 2019 are as follows:

- A first payment in the form of an interim dividend of €2.41 per share in March 2020 totalling €178.2 million, after taking into account treasury shares;
- A second payment for the remaining balance, i.e. €1.6 per share, in July 2020 totalling €118.3 million, after taking into account treasury shares.

For further information about the dividends paid out by the Group during the half-year, an analysis has been provided in note 6 “Equity and earnings per share”.

Note 3. Segment reporting

3.1. Segmented income statement

(in millions of euros)	Office Property Investment 06/30/2020	Office Property Investment 06/30/2019	Healthcare Property Investment 06/30/2020	Healthcare Property Investment 06/30/2019	Property Development 06/30/2020	Property Development 06/30/2019	Intersegment transactions and other items 06/30/2020	Intersegment transactions and other items 06/30/2019	Total 06/30/2020	Total 06/30/2019
REVENUE	196.8	196.2	149.2	134.8	283.8	364.6	(7.8)	(17.1)	622.0	678.5
- Intersegment sales (Group)	(18.3)	(23.0)	(0.3)	-	(0.9)	(14.8)	(7.8)	(17.1)	(27.3)	(54.9)
- Total sales, including intersegment sales (Group)	215.0	219.2	149.5	134.8	284.7	379.5	-	-	649.3	733.4
EBITDA	147.4	150.0	137.8	122.3	(12.2)	19.5	(1.5)	(4.6)	271.5	287.3
Depreciation and impairment	(119.2)	(86.2)	(68.7)	(58.5)	(4.7)	(3.7)	1.5	1.4	(191.1)	(146.9)
Profit/(loss) from acquisitions	-	-	(0.4)	-	-	-	0.2	-	(0.2)	-
Profit/(loss) on asset disposals	1.4	6.2	-	(2.2)	-	-	0.1	0.2	1.5	4.3
Share of equity-accounted companies	(6.6)	(7.8)	-	-	0.5	(0.2)	-	-	(6.1)	(8.0)
OPERATING PROFIT/(LOSS)	23.0	62.2	68.8	61.7	(16.4)	15.7	0.2	(3.0)	75.6	136.6
Cost of net financial liabilities	(31.5)	(29.7)	(17.2)	(15.0)	(2.5)	(2.7)	-	-	(51.3)	(47.4)
Other finance income and expenses	10.2	(16.9)	(10.7)	(0.9)	(1.9)	2.7	0.1	(3.6)	(2.3)	(18.8)
FINANCE INCOME/(EXPENSE)	(21.3)	(46.6)	(27.9)	(15.9)	(4.5)	(0.1)	0.1	(3.6)	(53.6)	(66.2)
Tax expense	(1.1)	(1.5)	(1.9)	(1.4)	5.0	(3.6)	-	-	1.9	(6.4)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	2.9	-	2.9
NET PROFIT/(LOSS)	**0.7**	**14.2**	**39.0**	**44.4**	**(15.9)**	**12.0**	**0.3**	**(3.7)**	**24.0**	**66.9**
Net profit/(loss) attributable to non-controlling interests	0.8	(0.2)	16.8	19.2	1.2	0.9	-	-	18.9	19.9
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(0.1)**	**14.4**	**22.1**	**25.2**	**(17.1)**	**11.1**	**0.3**	**(3.7)**	**5.2**	**47.0**

In H1 2020, 98.8% of revenue was generated in France (99.9% in H1 2019).

3.2. Segmented statement of financial position

(in millions of euros)	Office Property Investment 06/30/20	Office Property Investment 12/31/19	Healthcare Property Investment 06/30/20	Healthcare Property Investment 12/31/19	Property Development 06/30/20	Property Development 12/31/19	Intersegment transactions and other items 06/30/20	Intersegment transactions and other items 12/31/19	Total 06/30/20	Total 12/31/19
Investment property	5,973.4	5,991.0	3,774.3	3,791.1	-	-	(21.1)	(21.4)	9,726.5	9,760.7
Other assets	3,481.7	3,407.8	(912.8)	(696.4)	1,202.4	1,407.4	(1,069.0)	(1,366.0)	2,702.5	2,752.8
TOTAL ASSETS	**9,455.1**	**9,398.8**	**2,861.5**	**3,094.7**	**1,202.4**	**1,407.4**	**(1,090.1)**	**(1,387.4)**	**12,429.0**	**12,513.5**
Equity attributable to the Group	2,940.8	3,154.2	(135.1)	(53.0)	84.7	101.9	(31.6)	(34.3)	2,858.8	3,168.7
Non-controlling interests	93.0	99.6	762.5	824.9	1.1	1.6	-	-	856.6	926.1
Financial liabilities	5,751.2	5,574.7	2,076.0	2,189.7	392.5	395.3	(1,028.0)	(1,321.6)	7,191.6	6,838.0
Other liabilities	670.1	570.3	158.1	133.1	724.1	908.6	(30.5)	(31.5)	1,522.0	1,580.7
TOTAL LIABILITIES AND EQUITY	**9,455.1**	**9,398.8**	**2,861.5**	**3,094.7**	**1,202.4**	**1,407.4**	**(1,090.1)**	**(1,387.4)**	**12,429.0**	**12,513.5**

3.3. Segmented cash flow from fixed assets and investment property

(in millions of euros)	Office Property Investment 06/30/2020	Office Property Investment 06/30/2019	Healthcare Property Investment 06/30/2020	Healthcare Property Investment 06/30/2019	Property Development 06/30/2020	Property Development 06/30/2019	Intersegment transactions and other items 06/30/2020	Intersegment transactions and other items 06/30/2019	Total 06/30/2020	Total 06/30/2019
CASH FLOW:										
- acquisitions	(156.4)	(246.9)	(46.2)	(50.9)	(0.6)	(5.4)	-	-	(203.2)	(303.2)
- disposals	2.2	12.8	0.2	17.5	-	-	-	-	2.4	30.3

Note 4. Property portfolio and fair value

4.1. Property portfolio

4.1.1. Investment property

The Office Property Investment and Healthcare Property Investment portfolio consists primarily of investment property. It is valued as described in note 4.2 and its fair value is presented in note 4.3. Investments made in H1 2020 added up to €151.5 million, bringing the Property Investment Divisions' portfolio to €9,872.7 million:

(in millions of euros)	01/01/2020	Construction work, acquisitions and impact of changes in scope of consolidation (a)	Disposals	Net depreciation charges	Net change in impairment losses	Other changes (b)	06/30/2020
Office Property Investment	**6,123.5**	**100.9**	**(0.9)**	**(112.6)**	**(8.6)**	**(0.6)**	**6,101.8**
Including offices	4,561.0	80.2	(0.7)	(76.5)	2.2	(0.1)	4,566.1
Including business parks	1,260.7	20.4	-	(29.1)	(8.3)	-	1,243.8
Including other assets	301.8	0.3	(0.2)	(7.1)	(2.4)	(0.5)	291.9
Healthcare Property Investment	**3,789.2**	**50.6**	**(0.2)**	**(64.9)**	**(3.7)**	**-**	**3,770.9**
TOTAL PROPERTY PORTFOLIO	9,912.7	151.5	(1.1)	(177.6)	(12.3)	(0.5)	9,872.7
Types of assets comprising the portfolio:							
Investment property:							
- Fully consolidated property investment companies	9,760.7	150.0	(0.5)	(173.8)	(9.9)	-	9,726.5
- Equity-accounted property investment companies (c)	114.0	3.3	(0.6)	(3.7)	(2.4)	-	110.5
Financial receivables and other assets	78.4	-	-	-	-	(0.8)	77.6
Liabilities relating to investment property (d)	(40.4)	(1.8)	-	-	-	0.3	(41.9)
TOTAL PROPERTY PORTFOLIO	9,912.7	151.5	(1.1)	(177.6)	(12.3)	(0.5)	9,872.7

(a) Including capitalised finance costs for €3.1 million.

(b) Other changes related to reclassifications of investment property to assets held for sale, and to repayments of lease liabilities.

(c) The value of investment property of equity-accounted property investment companies is shown on a proportionate consolidation basis.

(d) Lease liabilities relating to building leases are the most significant liabilities relating to investment property.

Acquisitions and construction work associated with the Office Property Investment Division's investment property amounted to **€100.9 million** during the period and primarily included the following:

- Buildings under development or off-plan sale projects totalling €70.0 million, including:
  - Origine in Nanterre (Hauts-de-Seine) for €32.3 million. Due to the Covid-19 crisis, the originally scheduled completion date in Q4 2020 has been postponed to H1 2021;
  - Park View in Lyon represents investments totalling €11.7 million. Its completion, pushed back due to the fallout from the Covid-19 crisis, has been rescheduled for Q4 2020;
  - Fresk in Issy-les-Moulineaux (Hauts-de-Seine) for €7.2 million and scheduled to be handed over in 2021;
  - Latécoère in Toulouse (off-plan sale) for €3.1 million. The project is scheduled to be handed over in Q1 2021.
- Other investments, encompassing "Other capex" and "Other" for €30.9 million, related mainly to building maintenance work and tenant improvements.

Investments (acquisitions and construction work) made by the Healthcare Property Investment Division amounted to **€50.6 million** during the period and primarily included the following:

- €6.8 million for the acquisition of a nursing home in Carcassonne;
- €13.8 million in investments made in the development pipeline as part of the following projects:
  - €7.9 million for the construction of the Grand Narbonne private hospital still scheduled for completion in Q4 2020.
  - Other projects in the development pipeline totalled €5.9 million.
- Other capex amounted to €7.8 million including €3.6 million for the off-plan sale of the Joncs Marins PAC facility in Le Perreux-sur-Marne.

Investments in international assets amounted to €21.8 million in H1 2020 with the acquisition of a long-term care facility in Italy for €20.9 million and construction work in Germany for €0.9 million.

Disposals for a total selling price of €2.5 million during the period, including €2.2 million for the Office Property Investment Division and €0.3 million for the Healthcare Property Investment Division, generated a net capital gain of €1.9 million.

Breakdown of the net value of investment property

In the consolidated statement of financial position, investment property consists of property owned by the Office Property Investment and Healthcare Property Investment Divisions, property held under finance leases and right-of-use assets relating to land developed as part of building leases.

The net value of investment property held by fully consolidated companies broke down as follows:

(in millions of euros)	01/01/2020	Acquisitions, construction work and impact of changes in scope of consolidation	Disposals	Net depreciation charges	Net change in impairment losses	06/30/2020
Gross value	11,356.8	146.7	(1.0)	-	-	11,502.5
Depreciation	(1,981.1)	-	0.5	(165.1)	-	(2,145.8)
Impairment losses	(102.4)	-	-	-	(9.9)	(112.2)
Net value of owned investment property	**9,273.3**	**146.7**	**(0.5)**	**(165.1)**	**(9.9)**	**9,244.5**
Gross value	535.9	1.5	-	-	-	537.4
Depreciation	(78.6)	-	-	(8.0)	-	(86.6)
Impairment losses	-	-	-	-	-	-
Net value of investment property held under a finance lease	**457.3**	**1.5**	**-**	**(8.0)**	**-**	**450.8**
Gross value	31.3	1.8	-	-	-	33.1
Depreciation	(1.2)	-	-	(0.6)	-	(1.8)
Impairment losses	-	-	-	-	-	-
Net value of right-of-use assets relating to building leases	**30.1**	**1.8**	**-**	**(0.6)**	**-**	**31.3**
Investment property	9,760.7	150.0	(0.5)	(173.8)	(9.9)	9,726.5

4.1.2. Assets held for sale and discontinued operations

(in millions of euros)	06/30/2020	12/31/2019
Assets held for sale and discontinued operations	9.8	9.8
Liabilities related to assets held for sale and discontinued operations	6.3	6.3

Assets held for sale relate primarily to property assets subject to preliminary sale agreements. Liabilities related to assets held for sale mainly come from the remaining balance of provisions made for discontinued operations.

4.2. Valuation of the property portfolio: methods and assumptions

4.2.1. Valuation assignments

The Group's property assets are valued twice a year by independent property valuers for the publication of the half-year and annual consolidated financial statements, according to a framework consistent with the SIIC Code of Ethics (*sociétés d'investissement immobilier cotées*, French listed real estate investment companies) published in July 2008 by the French Federation of Real Estate Companies (*Fédération des sociétés immobilières et foncières*).

The valuers are selected through competitive bidding. The property valuers consulted are selected from among members of AFREXIM (French Association of Property Valuation Companies) and are appointed for a maximum period of three years, extendable for one additional year.

In accordance with the SIIC Code of Ethics, after seven years Icade shall ensure that there is an internal turnover of the teams responsible for the valuation of its assets in the selected property valuation company. The valuer signing the valuation may not be appointed for more than two consecutive terms of four years except where the valuer has met the requirement with regard to the internal turnover of the teams.

Property valuations were entrusted to Jones Lang LaSalle Expertises, Cushman & Wakefield Valuation France, CBRE Valuation, Catella Valuation and BNP Paribas Real Estate Valuation. Property valuation fees are billed to Icade on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, floor area, number of existing leases, etc.) and that is not based on the value of the assets.

The assignments of the property valuers, whose main valuation methods and conclusions are presented hereafter, are performed according to professional standards, in particular:

- The Property Valuation Charter (*Charte de l'expertise en évaluation immobilière*), fifth edition, published in March 2017;
- The Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Markets Authority (AMF), dated February 3, 2000, on the valuation of the property assets of publicly traded companies;

- On an international level, the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations), published in April 2009 in the Blue Book, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the required qualifications for the property valuers, a code of conduct and ethics, and the main definitions (values, floor areas, rates and main valuation methods).

During each valuation session and when valuers submit their valuation reports, the Group makes sure that the methods used by the different property valuers to value its assets are consistent.

Valuations are calculated both inclusive and exclusive of duties, the values excluding duties being net of duties and fixed legal expenses calculated by the property valuers.

Operating office properties of significant value, i.e. the "Le Millénaire" shopping centre, the Fresnes retail and business park and all other business parks are subject to a double appraisal approach. On June 30, 2018, the application of the double appraisal approach was extended to cover office development projects (excluding off-plan acquisitions) of the Office Property Investment Division with a valuation or a capex budget over €10 million.

On-site visits are systematically conducted by the property valuers for all new assets added to the portfolio. Further on-site visits are then organised according to a multi-year schedule or each time that a specific event in the life of the building requires it (occurrence of significant changes in its structure or environment). It should be noted that visits initially scheduled between March and June 2020 were exceptionally postponed to H2 2020 due to the Covid-19 health crisis.

All the assets, including the land bank and projects under development, were valued as of June 30, 2020 according to the procedures currently in place within the Group, with the exception of:

- Properties subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the contractual sale price;
- Public properties and projects held as part of public-private partnerships (PPP) which are not subject to a formal valuation due to the fact that ownership ultimately returns to the State at the end of these contracts. These assets are therefore still recognised based on their net carrying amount in the fair value of the property portfolio reported by the Group (see note 5.3.1);
- Properties acquired less than three months before the end of the annual reporting period, which are valued at their acquisition price excluding duties.

The Group has also implemented a process of internal valuation by its asset management teams in order to verify the asset values obtained by the property valuers and to gain a better understanding of the future performance of the portfolio on the basis of the business plans defined. This process is updated on a yearly basis. However, assets whose business plan changes materially may be subject to a half-yearly update.

4.2.2. Methods used by the property valuers

The methods used by the property valuers are identical to those used for the previous financial year except for the inclusion of the declarations set out below in light of the coronavirus pandemic.

Cushman & Wakefield (C&W):

"The coronavirus (Covid-19) outbreak, declared a "global pandemic" by the World Health Organisation on March 11, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.
Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value. Indeed, the current response to Covid-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

The valuation is therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep the valuation of the properties under frequent review.

For the avoidance of doubt, the inclusion of the "material valuation uncertainty" declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

Properties whose value is contingent upon income generated by their operation, such as hotels, restaurants, bars, healthcare facilities and student residences, could sustain a greater impact on their value than other asset classes. It is therefore recommended to review the valuations of these assets more frequently than for other types of property. For hotels, there is a risk of lower profitability (and thus a potential loss in value) triggered by lower occupancy rates, specifically since hotels depend in large part on tourism and corporate events."

Catella Valuation:

"The coronavirus (Covid-19) outbreak, declared a "global health emergency" by the World Health Organisation on January 30, 2020, has impacted global financial markets. As at the valuation date, we thus consider that we can attach less weight to previous market evidence for comparison purposes, even if there is no shortage of such evidence in France for the purpose of our valuations. In addition, due to the exceptional measures that have been taken in response to the Covid-19 pandemic, property valuers have been faced with unprecedented market conditions. Our valuations are therefore based on the material uncertainty surrounding the market. Given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep these valuations under frequent review.
The inclusion of this clause does not mean that our valuations cannot be relied upon but instead provides more detail on the current extraordinary circumstances under which they were conducted."

CBRE Valuation:

"The coronavirus (Covid-19) outbreak, declared a "global pandemic" by the World Health Organisation, has impacted global financial markets. Market activity is being impacted in every sector. As at the valuation date, we believe we cannot rely on previous market evidence for comparison purposes to provide the comprehensive information required for our valuations.

We are thus faced with an unprecedented set of circumstances that has given rise to material uncertainty around our valuations as the impact on the market has yet to be quantified. This "material valuation uncertainty" is set out in VPGA 10 of the RICS Valuation – Global Standards.

Consequently, less certainty and a higher degree of caution should be attached to our valuations than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep the valuation(s) contained within this report under frequent review.

For the avoidance of doubt, the inclusion of the material uncertainty declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation."

Jones Lang LaSalle:

"The coronavirus (Covid-19) outbreak, declared a "global pandemic" by the World Health Organisation on March 11, 2020, has impacted global financial markets. Travel restrictions and lockdown measures have been implemented by many countries. As a result, market activity is being impacted in every sector, including real estate.

In the case of this valuation, we believe that the main market evidence for comparative purposes dates from before these events and thus does not allow us to unequivocally form an opinion of value (market or rental) at this stage of the current health and economic crisis.

The repercussions of Covid-19 (social, political, health, economic, etc.) are extraordinary, meaning that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is (are) therefore reported as being subject to "material valuation uncertainty" as set out in VPGA 10 of the RICS Valuation – Global Standards.

Typically, in a climate of uncertainty, the liquidity of assets may be impacted. Markets may experience lower levels of transactional activity and lack visibility. Although the fundamentals of the French commercial real estate market have remained sound, one cannot rule out a certain spillover into the investment market or leasing activity (in value and/or volume terms) in the near future.

As of the date of our report, the number of transactions signed since the start of the pandemic has not yet been sufficient to allow us to draw conclusions about the impact of this new financial environment on the real estate investment market and, more specifically, yields. Our valuation is thus subject to the potential impact on the real estate market which at this stage has yet to be determined. To ensure transparency towards the parties affected by these conclusions, less certainty should be attached to our valuation reports than would normally be the case.

The inclusion of the "material valuation uncertainty" declaration does not mean that our valuation cannot be relied upon. We recommend that you keep the valuation contained within this report under frequent review depending on your needs. The values were determined in June 2020 based on information brought to our attention at that time."

As at the valuation date, most experts agree that the use of market comparables predating the crisis is less relevant for the purpose of their valuations. The impact of the Covid-19 crisis on property values is unknown at the reporting date and valuers have had to face an unprecedented set of circumstances on which to base a judgement.

The valuation is therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to valuations conducted as at June 30, 2020 than would otherwise be the case. Given the unknown future impact that Covid-19 might have on the real estate market, valuers recommend that property valuations be kept under frequent review.

Valuers nonetheless specify that the inclusion of a "material valuation uncertainty" declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that in the current circumstances, less certainty can be attached to the valuation than would normally be the case.

Portfolio of the Office Property Investment Division

Investment property is valued by the property valuers who use two methods simultaneously: the income method (the property valuer uses the most appropriate method between net income capitalisation and discounted cash flows) and the direct sales comparison method which is based on the prices of transactions noted on the market for assets equivalent in type and location.

The net income capitalisation method involves applying a yield to income streams, whether that income is reported, existing, theoretical or potential (estimated rental value). This approach may be implemented in different ways depending on the type of income considered (effective rent, estimated rental value and net rental income), as different yields are associated with each type.

The discounted cash flow method assumes that the value of the assets is equal to the present value of the cash flows expected by the investor, including the sale at the end of the holding period. In addition to the resale value obtained by applying a market yield to the previous year's rents, cash flows include rents, the different charges not recovered by the owner and the major maintenance and repair work. The discount rate to be applied to the cash flows is calculated based either on a risk-free rate plus a risk premium (related both to the property market and to the building considered taking into account its characteristics in terms of location, construction and security of income) or on the weighted average cost of capital.

Whichever method is used, valuation calculations are carried out on a lease by lease basis, except for particular cases and justified exceptions.

The land bank and properties under development are also the subject of a valuation taken into account in calculating the EPRA net asset value and in performing impairment tests on property assets. The methods used by the property valuers primarily include the residual method and/or the discounted cash flow method, and also in certain cases the sales comparison method.

The residual method involves calculating the residual value of a project from the point of view of a property developer to whom the land has been offered. From the sale price of the building at the time of completion, the property valuer deducts all the costs to be incurred, including construction costs, fees and profit, finance costs and any land-related costs.

For properties under development, all outstanding costs linked to the completion of the project, along with carrying costs until completion, must be deducted from the buildings' estimated sale price. Projects under development are valued on the basis of a clearly identified and approved project, as soon as the building permit can be processed and implemented.

The land bank of the Rungis business park is valued separately. It should be noted that, in the Rungis business park, there is a remaining buildable area on plots already developed. The Group values the difference between the constructed area and the potential area in the context of a 25-year redevelopment plan. This plan provides for the net construction of 230,000 sq.m, resulting from the construction of a total of 340,000 sq.m, including 142,000 sq.m, 55,000 sq.m and 143,000 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the business park, and from the demolition of the most obsolete buildings, representing nearly 110,000 sq.m.

The method is based on:

- Applicable urban planning rules;
- Estimated absorption rate;
- Current market for new offices (estimated rental value, yield);
- Redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 34,250 sq.m in the first five years, 48,150 sq.m between the 5th and the 10th year, 64,700 sq.m between the 10th and the 15th year, 38,500 sq.m between the 15th and the 20th year, and 44,100 sq.m between the 20th and the 25th year.

The estimated value of the remaining buildable area is based on the value of building land in the business park. A land coefficient of 17% is applied including a developer's profit of 8%. This coefficient is the result of the average price per square metre of the land and of a coefficient observed in business parks on the outskirts of Paris (2nd/3rd ring). The values thus obtained are discounted based on the 5-, 10-, 15-, 20- and 25-year redevelopment periods provided for in the projected plan with the respective rates of 3.75%, 5.75%, 6.75%, 7.75% and 8.75%.

This redevelopment plan, in addition to undeveloped land, represents a land bank valued at €58.6 million as of June 30, 2020.

Additionally, the Group identified floor space awaiting refurbishment (not leased) across its Office Property Investment portfolio: buildings that are completely vacant, held for sale, or due to be refurbished or demolished, and for which a project will be initiated at a later stage. This floor space was valued at €55.6 million as of June 30, 2020.

Whichever method is selected, it is ultimately up to the property valuers to set a value and discount rate in line with the risks inherent in each project and, in particular, the state of progress of the various approval and construction stages (demolition permit, building permit, objections, stage of completion of work, any pre-commitment, or rent guarantee). From the exit value, the property valuers must explain which procedure they followed in estimating the degree of risk and the change in valuation for the building in the light of the circumstances under which they worked and the information made available to them.

Portfolio of the Healthcare Property Investment Division

Healthcare properties are valued by property valuers based on the mean of the values obtained using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method.

The market value of a healthcare facility is essentially dependent on its operation and its ability to generate sufficient income to provide a reasonable return on the property investment. These buildings fall under the category of single-use buildings and their value determined by the property valuer is totally related to their operation and consequently to the value of the underlying business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value.

The estimated rental value used by the property valuers thus takes into account a share of the average revenue or average EBITDA that the facility has generated during the last years of operation, with or without adjustment for category, administrative environment, quality of operating structure (price positioning, hospital fee agreement with the French Social Security, income statement, etc.) and competitive position. Alternatively, the healthcare property can be valued by capitalisation of the gross rental income reported by the Group.

4.2.3. Main valuation assumptions for investment property

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)	Estimated rental value (in €/sq.m)
OFFICES AND BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.5% - 7.5%	3.4% - 7.0%	3.3% - 7.5%	€225 - €925
La Défense/Peri-Défense	Capitalisation and DCF	4.5% - 6.5%	4.6% - 6.5%	4.3% - 6.5%	€260 - €470
Other Western Crescent	Capitalisation and DCF	3.5% - 4.5%	4.5% - 5.3%	4.0% - 4.8%	€320 - €490
Inner Ring	Capitalisation and DCF	4.3% - 5.5%	4.3% - 5.8%	4.3% - 5.3%	€260 - €370
France outside the Paris region	Capitalisation and DCF	4.4% - 8.6%	3.9% - 9.0%	4.7% - 7.7%	€125 - €290
Business parks					
Inner Ring	DCF	4.5% - 9.5%	4.5% - 9.0%		€115 - €330
Outer Ring	DCF	5% - 12.0%	5.2% - 12.0%		€50 - €280
Other Office Property Investment assets					
Hotels	Capitalisation and DCF	7.0% - 7.9%	5.5% - 6.3%	4.8% - 6.3%	(a)
Retail	Capitalisation and DCF	6.1% - 7.4%	6.3% - 11.9%	6.0% - 8.4%	€80 - €245
Warehouses	Capitalisation and DCF	8.0% - 11.0%	8.0% - 12.0%	10.0% - 13.0%	€40 - €55
Residential	Comparison	N/A	N/A	N/A	N/A
HEALTHCARE					
Paris region	Capitalisation and DCF	5.1% - 6.8%	4.9% - 6.7%	4.5% - 6.2%	(a)
France outside the Paris region	Capitalisation and DCF	4.9% - 8.9%	4.6% - 8.6%	4.2% - 8.2%	(a)
Italy	DCF	6.0% - 7.3%	5.8% - 6.3%	N/A	(a)
Germany	DCF	4.1% - 8.0%	3.6% - 7.5%	N/A	(a)

(a) Not subject to the traditional rules for determining estimated rental value, due to the layout and highly specific use of the premises.

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

Unrealised capital gains amounted to €4,557.8 million as of June 30, 2020, representing an increase of €130.2 million compared to the previous financial year:

	06/30/2020			12/31/2019			Change		
(in millions of euros)	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains
Investment property (a)	14,209.4	9,684.6	4,524.8	14,118.0	9,720.3	4,397.6	91.5	(35.7)	127.2
Financial receivables and other assets	83.9	77.6	6.3	84.7	78.4	6.3	(0.8)	(0.8)	-
Property portfolio of fully consolidated companies	**14,293.4**	**9,762.2**	**4,531.1**	**14,202.7**	**9,798.7**	**4,404.0**	**90.7**	**(36.5)**	**127.2**
Investment property of equity-accounted companies	**137.2**	**110.5**	**26.7**	**137.7**	**114.0**	**23.7**	**(0.5)**	**(3.5)**	**3.0**
TOTAL PROPERTY PORTFOLIO	14,430.6	9,872.7	4,557.8	14,340.4	9,912.7	4,427.6	90.2	(40.0)	130.2
Portfolio distribution:									
Office – Offices	6,927.4	4,566.1	2,361.3	6,891.0	4,561.0	2,330.0	36.4	5.1	31.3
Office – Business parks	1,799.1	1,243.8	555.3	1,793.4	1,260.7	532.7	5.7	(16.9)	22.7
Office – Other assets	361.7	291.9	69.8	369.8	301.8	68.0	(8.1)	(9.9)	1.8
Office Property Investment	**9,088.2**	**6,101.8**	**2,986.4**	**9,054.2**	**6,123.5**	**2,930.6**	34.0	(21.7)	55.8
Healthcare Property Investment	**5,342.4**	**3,770.9**	**1,571.4**	**5,286.2**	**3,789.2**	**1,497.0**	**56.2**	**(18.3)**	**74.4**
TOTAL PROPERTY PORTFOLIO	14,430.6	9,872.7	4,557.8	14,340.4	9,912.7	4,427.6	90.2	(40.0)	130.2

(a) Investment property and related liabilities.

4.3.2. Impact of impairment losses on the income statement

The impact of impairment losses on the income statement is shown under the heading “Charges and reversals related to impairment of tangible, financial and other current assets” of the consolidated income statement.

As of June 30, 2020, the change in net impairment losses on investment property held by fully consolidated Group companies represented a net loss of €9.9 million, resulting from an impairment loss of €12.1 million and a reversal of €2.2 million.

4.3.3. Sensitivity of the net carrying amounts of appraised assets to potential changes in fair value

The sensitivity of the net carrying amounts of appraised assets to potential changes in fair value ranging from -5.00% to +5.00% is shown in the table below.

Impact on net carrying amounts	Changes in fair value of investment property			
(in millions of euros)	- 5.00%	- 2.50%	+ 2.50%	+ 5.00%
Offices				
La Défense/Peri-Défense	(4.6)	(2.3)	2.3	4.6
SUBTOTAL PARIS REGION	(4.6)	(2.3)	+ 2.3	+ 4.6
France outside the Paris region	(2.1)	-	-	-
TOTAL OFFICES	**(6.7)**	**(2.3)**	**+ 2.3**	**+ 4.6**
Business parks				
Outer Ring	(36.6)	(18.3)	18.3	36.6
TOTAL BUSINESS PARKS	**(36.6)**	**(18.3)**	**+ 18.3**	**+ 36.6**
TOTAL OFFICES AND BUSINESS PARKS	(43.3)	(20.6)	+ 20.6	+ 41.2
Other assets	(3.5)	(1.3)	1.3	2.6
TOTAL OFFICE PROPERTY INVESTMENT	(46.8)	(21.9)	21.9	43.8
Healthcare (a)				
France outside the Paris region	(31.7)	(12.2)	0.7	1.3
SUBTOTAL FRANCE HEALTHCARE	(31.7)	(12.2)	+ 0.7	+ 1.3
International Healthcare	(7.1)	(1.6)	-	-
TOTAL HEALTHCARE PROPERTY INVESTMENT (a)	(38.8)	(13.9)	+ 0.7	+ 1.3
TOTAL PROPERTY PORTFOLIO	**(85.6)**	**(35.8)**	**+ 22.6**	**+ 45.2**

(a) Net carrying amounts on a full consolidation basis

Note 5. Finance and financial instruments

5.1. Financial structure and contribution to profit/(loss)

5.1.1. Change in net financial liabilities

Breakdown of net financial liabilities at end of period

Net financial liabilities as of June 30, 2020 and December 31, 2019 broke down as follows:

(in millions of euros)		12/31/2019	New financial liabilities (b)	Repayments (b)	Fair value adjustments and other changes (c)	06/30/2020
Bonds		3,882.0	-	-	-	3,882.0
Borrowings from credit institutions		2,097.4	6.2	(19.7)	-	2,083.9
Finance lease liabilities		196.7	1.6	(9.3)	-	189.0
Other borrowings and similar liabilities		52.4	-	(1.2)	-	51.2
NEU Commercial Paper		441.0	772.0	(408.0)	-	805.0
Total borrowings		6,669.5	779.8	(438.2)	-	7,011.0
Payables associated with equity investments		82.5	7.5	-	0.7	90.7
Bank overdrafts		104.0	-	-	(0.3)	103.7
Total gross interest-bearing financial liabilities		6,855.9	787.2	(438.2)	0.4	7,205.4
Interest accrued and amortised issue costs		(18.0)	-	-	4.3	(13.7)
GROSS FINANCIAL LIABILITIES	**5.1.2**	**6,838.0**	**787.2**	**(438.2)**	**4.7**	**7,191.7**
Interest rate derivatives	5.1.3	48.2	-	(1.1)	22.3	69.3
Financial assets (a)	5.1.5	(90.2)	(21.1)	-	(0.6)	(111.9)
Cash and cash equivalents	5.1.6	(767.1)	-	-	(127.8)	(894.8)
NET FINANCIAL LIABILITIES		**6,028.8**	**766.1**	**(439.3)**	**(101.4)**	**6,254.2**

(a) Excluding security deposits paid and security deposits held in an escrow account.
(b) Cash flow from financing activities.
(c) Other changes related primarily to cash flow from bank overdrafts and cash and cash equivalents.

The €353.7 million year-on-year increase in gross debt (excluding derivatives) stemmed primarily from:

- A net increase in outstanding NEU Commercial Paper for €364.0 million;
- The normal amortisation of loans and finance lease liabilities for €30.2 million;
- New drawdowns of credit lines and finance leases for €7.8 million.

The €317.3 million change in cash flow from financing activities in the cash flow statement mainly includes cash flow relating to net financial liabilities (€766.1 million increase and €439.3 million decrease) and repayments of lease liabilities (€4.2 million).

5.1.2. Components of financial liabilities

Gross financial liabilities: type of rate, maturity and fair value

Gross interest-bearing financial liabilities at amortised cost amounted to €7,205.4 million as of June 30, 2020. They broke down as follows:

	Balance sheet value	Current	Non-current					Fair value
(in millions of euros)	06/30/2020	Portion due in < 1 year	Portion due in 1 to 2 years	Portion due in 2 to 3 years	Portion due in 3 to 4 years	Portion due in 4 to 5 years	Portion due in > 5 years	06/30/2020
Bonds	3,882.0	257.1	-	395.7	279.2	-	2,950.0	3,876.5
Borrowings from credit institutions	759.4	4.9	5.2	5.6	14.0	2.5	727.4	766.6
Finance lease liabilities	96.3	11.9	12.9	8.1	8.4	8.5	46.6	100.1
Other borrowings and similar liabilities	0.2	0.1	0.1	-	-	-	-	0.3
Payables associated with equity investments	17.6	17.6	-	-	-	-	-	17.6
NEU Commercial Paper	805.0	805.0	-	-	-	-	-	805.0
Fixed rate debt	5,560.5	1,096.5	18.1	409.4	301.6	11.0	3,723.9	5,566.2
Borrowings from credit institutions	1,324.5	50.1	109.7	19.8	92.7	430.5	621.8	1,279.3
Finance lease liabilities	92.7	9.4	13.9	9.8	19.2	4.9	35.5	89.8
Other borrowings and similar liabilities	51.1	2.5	2.5	2.6	2.6	2.7	38.2	51.3
Payables associated with equity investments	73.1	73.1	-	-	-	-	-	73.1
Bank overdrafts	103.7	103.7	-	-	-	-	-	103.7
Variable rate debt	1,644.9	238.6	126.1	32.1	114.5	438.1	695.5	1,597.3
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES	**7,205.4**	**1,335.1**	**144.2**	**441.5**	**416.1**	**449.0**	**4,419.4**	**7,163.5**

The average debt maturity (excluding NEU Commercial Paper) was 6.0 years as of June 30, 2020 (6.4 years as of December 31, 2019). Thanks to the debt raised in H1, the average maturity of the Group's debt remained stable.

As of June 30, 2020, the average maturity was 4.8 years for variable rate debt and 5.0 years for the related hedges, allowing adequate hedging and anticipating coverage of future financing needs.

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2019	Increase	Decrease	Nominal value as of 06/30/2020
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	279.2	-	-	279.2
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	257.1	-	-	257.1
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	395.7	-	-	395.7
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013218393	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
FR0013281755	09/13/2017	09/13/2027	600.0	Fixed rate 1.5%	Interest only	600.0	-	-	600.0
FR0013320058	02/28/2018	02/28/2028	600.0	Fixed rate 1.625%	Interest only	600.0	-	-	600.0
FR0013457967	11/04/2019	11/04/2029	500.0	Fixed rate 0.875%	Interest only	500.0	-	-	500.0
Bonds						3,882.0			3,882.0

5.1.3. Derivative instruments

Presentation of derivatives in the consolidated statement of financial position

As of June 30, 2020, derivative liabilities mainly consisted of interest rate derivatives designated as cash flow hedges for €76.3 million.

Detailed changes in fair value of derivative instruments as of June 30, 2020 were as follows:

(in millions of euros)	12/31/2019	Disposals	Payments for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	06/30/2020
	(1)	(2)	(3)	(4)	(5)	(6) = (1) to (5) inclusive
Cash flow hedges	**(53.7)**			**0.2**	**(22.6)**	**(76.0)**
Interest rate swaps – fixed-rate payer	(53.7)	-	-	0.2	(22.6)	(76.0)
Non-hedging instruments	**(0.4)**	**-**	**-**	**0.1**	**-**	**(0.3)**
Interest rate swaps – fixed-rate payer	(0.4)	-	-	0.1	-	(0.3)
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(54.0)	-	-	0.3	(22.6)	(76.3)
Derivatives: margin calls	5.9	-	1.1	-	-	7.0
TOTAL INTEREST RATE DERIVATIVES	**(48.2)**	**-**	**1.1**	**0.3**	**(22.6)**	**(69.3)**
Including derivative assets	*6.3*		*1.1*	*(0.2)*	*(0.1)*	*7.0*
Including derivative liabilities	(54.4)	-	-	0.5	(22.4)	(76.3)

Changes in hedge reserves

Hedge reserves consisted exclusively of fair value adjustments to financial instruments used by the Group for interest rate hedging purposes (effective portion) for €68.6 million as of June 30, 2020.

Hedge reserves as of June 30, 2020 are shown in the table below:

(in millions of euros)	Total	Attributable to the Group	Attributable to non-controlling interests
REVALUATION RESERVES AS OF DECEMBER 31, 2019	(45.6)	(34.8)	(10.8)
Changes in value of cash flow hedges	(22.6)	(18.1)	(4.5)
Revaluation reserves for cash flow hedges recycled to the income statement	(0.5)	(0.3)	(0.2)
Other comprehensive income	**(23.1)**	**(18.5)**	**(4.6)**
REVALUATION RESERVES AS OF JUNE 30, 2020	**(68.6)**	**(53.3)**	**(15.4)**

Derivatives: analysis of notional amounts by maturity

The derivative portfolio as of June 30, 2020 was as follows:

(in millions of euros)	06/30/2020			
	Total	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Interest rate swaps – fixed-rate payer	1,252.6	39.0	406.4	807.2
Interest rate options – caps	48.2	12.7	35.5	-
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES	1,300.8	51.7	441.9	807.2
TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2020	**1,300.8**	**51.7**	**441.9**	**807.2**
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2019	**1,296.4**	**32.9**	**282.3**	**981.2**

These derivatives are used as part of the Group's interest rate hedging policy (see note 5.2.2).

5.1.4. Finance income/(expense)

Finance income/(expense) consists primarily of:

- Cost of gross financial liabilities (mainly interest expenses on financial liabilities and derivatives) adjusted for income from cash, related loans and receivables;
- Other finance income and expenses (primarily including commitment fees).

The Group recorded a net finance expense of €53.6 million as of June 30, 2020.

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
Interest expenses on financial liabilities	(49.8)	(46.8)	(94.8)
Interest expenses on derivatives	(5.9)	(5.1)	(12.4)
Recycling to the income statement of interest rate hedging instruments	0.8	0.8	1.6
COST OF GROSS FINANCIAL LIABILITIES	(55.0)	(51.1)	(105.5)
Interest income from cash and cash equivalents	0.8	0.7	1.7
Income from receivables and loans	2.9	3.0	5.3
Net income from cash and cash equivalents, related loans and receivables	3.7	3.7	7.0
COST OF NET FINANCIAL LIABILITIES	(51.3)	(47.4)	(98.5)
Change in fair value of derivatives recognised in the income statement	0.3	0.2	0.7
Restructuring costs for financial liabilities	(0.2)	(10.2)	(18.1)
Finance income/(expense) from lease liabilities	(1.2)	(1.1)	(2.3)
Other finance income and expenses (a)	(1.4)	(4.5)	17.5
Total other finance income and expenses	**(2.3)**	**(18.8)**	**(8.5)**
FINANCE INCOME/(EXPENSE)	**(53.6)**	**(66.2)**	**(107.0)**

(a) Including, as of December 31, 2019, the Company's share of profit for the CNET project for €15.2 million.

5.1.5. Financial assets and liabilities

Change in financial assets and liabilities during the financial year

Changes in other financial assets as of June 30, 2020 broke down as follows:

(in millions of euros)	12/31/2019	Acquisitions	Disposals / Repayments	Impact of changes in fair value recognised in the income statement	Other	06/30/2020
Financial assets at fair value through profit or loss (a)	23.8	-	-	3.7	-	27.5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**23.8**	**-**	**-**	**3.7**	**-**	**27.5**
Receivables associated with equity investments and other related parties	48.4	25.3	(6.3)	-	0.9	68.2
Loans	0.3	-	-	-	-	0.3
Shareholder loans	17.7	-	-	-	1.8	19.6
Deposits and guarantees paid	8.2	0.1	-	-	(2.9)	5.4
Other	-	5.9	-	-	-	5.9
FINANCIAL ASSETS AT AMORTISED COST	**74.6**	**31.2**	**(6.4)**	**-**	**(0.2)**	**99.4**

(a) Financial assets at fair value mainly consisted of investments in unconsolidated companies.

Other financial liabilities consisted mostly of deposits and guarantees received from tenants for €72.4 million as of June 30, 2020. The non-current portion represents €69.9 million, including €65.6 million for the portion due in more than five years.

Maturity analysis of financial assets

A maturity analysis of financial assets as of June 30, 2020 is shown in the table below:

		Current	Non-current	
(in millions of euros)	06/30/2020	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with equity investments and other related parties	68.2	68.2	-	-
Loans	0.3	-	0.3	-
Deposits and guarantees paid	5.4	0.4	1.5	3.5
Shareholder loans	19.6	19.6	-	-
Other	5.9	-	-	5.9
FINANCIAL ASSETS AT AMORTISED COST	**99.4**	**88.2**	**1.8**	**9.4**

5.1.6. Cash and cash equivalents

(in millions of euros)	06/30/2020	12/31/2019
Term deposit accounts	119.4	229.0
Cash on hand and demand deposits (including bank interest receivable)	775.4	538.1
CASH AND CASH EQUIVALENTS	**894.8**	**767.1**

5.2. Management of financial risks

The monitoring and management of financial risks are centralised within the Corporate and Financing Division of the Group's Finance Department. In addition, the Group's Risk, Rates, Treasury and Finance Committee meets on a regular basis with the Group's CEO, Head of Risk and CFO to discuss all matters relating to the management of the Group's liabilities and associated risks.

5.2.1. Liquidity risk

The emergence of the Covid-19 crisis in H1 2020 has roiled financial markets, impacting the liquidity of companies due to the abrupt two-week closure of the NEU Commercial Paper money market for the first time in its history. The intervention of the European Central Bank through France's central bank (Banque de France) enabled the market to gradually get back to business. Its liquidity and transaction volumes are now back to pre-crisis levels.

During the crisis, the daily oversight of the Group's liquidity was stepped up, with continued disciplined management of cash, short-term investments, the outstanding amount of NEU Commercial Paper and available revolving credit facilities (RCFs). Special monitoring (chiefly monitoring markets and the Group's liquidity) has been introduced for the Group's CFO and CEO.

The Group has continued to easily access liquidity on favourable terms and is still fully able to raise more funds if necessary. Icade has sought to bolster its financial capacity increasing bank revolving credit facilities. As a result, between December 31, 2019 and June 30, 2020, the outstanding amount of RCFs increased from €1,740 million to €2,110 million, which are fully available to date. As of June 30, 2020, undrawn credit lines totalled €2,125 million. As a result, debt principal and interest payments are covered for over three years.

Throughout the first half of 2020, Icade had no need to draw down on these credit lines and thus still has the entire undrawn amount at its disposal.

As of June 30, 2020, the Group's cash stood at €894.8 million while NEU Commercial Paper totalled €805.0 million.

Besides, the Group ensures disciplined management and monitoring of the maturities of its main credit lines as shown in the table below (financial liabilities excluding construction and off-plan sale contracts). Future interest payments on borrowings and financial derivatives are determined based on anticipated market interest rates.

	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 years and < 5 years		Portion due in > 5 years				
(in millions of euros)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total principal	Total interest	Grand total
Bonds	257.1	64.5	395.7	117.4	279.2	93.2	2,950.0	96.9	3,882.0	372.0	4,254.0
Borrowings from credit institutions	54.9	22.3	140.2	42.0	539.6	40.6	1,349.2	94.6	2,083.9	199.4	2,283.2
Finance lease liabilities	21.2	3.6	44.7	5.5	41.0	4.0	82.0	7.4	189.0	20.4	209.4
Other borrowings and similar liabilities	2.5	0.9	5.1	-	5.3	1.5	38.3	5.0	51.2	9.2	60.4
NEU Commercial Paper	805.0	-	-	-	-	-	-	-	805.0	-	805.0
Payables associated with equity investments	90.7	-	-	-	-	-	-	-	90.7	-	90.7
Bank overdrafts	103.6	-	-	-	-	-	-	-	103.6	-	103.6
Total gross interest-bearing financial liabilities	**1,335.0**	**91.3**	**585.7**	**166.6**	**865.2**	**139.4**	**4,419.5**	**203.8**	**7,205.4**	**601.0**	**7,806.4**
Financial derivatives		12.6		23.9		18.4		19.2		74.1	74.1
Lease liabilities	8.5	2.3	14.7	4.1	11.2	3.6	31.0	35.7	65.5	45.7	111.2
Accounts payable and tax liabilities	504.1	-	15.0	-	-	-	-	-	519.1	-	519.1
TOTAL	**1,847.7**	**106.2**	**615.4**	**194.6**	**876.4**	**161.3**	**4,450.5**	**258.7**	**7,789.9**	**720.9**	**8,510.8**

5.2.2. Interest rate risk

Interest rate risk is also governed by a specific policy set out by the Group's Finance Department and reported on a regular basis to the Audit and Risk Committee. This risk includes, in the event of increased interest rates, the risk of increased finance expenses related to variable rate financial liabilities and, in the event of reduced interest rates, the risk of reduced finance income related to variable rate financial assets.

To finance its investments, the Group may use variable rate debt, thus remaining able to prepay loans without penalty.

For the past four years, as conditions in the financial markets have remained favourable for borrowers with historically low interest rates, the Group has pursued a prudent interest rate risk management policy with 96% to 98% of its debt hedged.

		06/30/2020		
(in millions of euros)		Fixed rate	Variable rate	Total
Bonds		3,882.0	-	3,882.0
Borrowings from credit institutions		759.4	1,324.5	2,083.9
Finance lease liabilities		96.3	92.7	189.0
Other borrowings and similar liabilities		0.2	51.1	51.2
NEU Commercial Paper		805.0	-	805.0
Breakdown of borrowings		**5,542.9**	**1,468.2**	**7,011.0**
Breakdown of borrowings (in %)		*79%*	*21%*	*100%*
Impact of interest rate hedges (a)	5.1.3	1,300.8	(1,300.8)	-
Breakdown after hedging		**6,843.6**	**167.4**	**7,011.0**
Breakdown after hedging (in %)		***98%***	***2%***	***100%***

(a) Taking into account interest rate hedges entered into by the Group (see note 5.1.3).

As of June 30, 2020, the Group's total debt, consisting of 79% fixed rate debt and 21% variable rate debt, was 98% hedged against interest rate risk.

The average maturity of variable rate debt was 4.8 years and that of the associated hedges was 5.0 years.

It should be noted that the Group favours classifying its hedging instruments as "cash flow hedges" according to IFRS 9; therefore, any changes in fair value of such instruments are recognised in equity (for the effective portion) rather than in the income statement.

Due to the Group's hedging structure and the trend in interest rates in the last few financial years, changes in fair value of hedging instruments had a negative impact on other comprehensive income of €22.6 million as of June 30, 2020.

The accounting impact of a -1% or +1% change in interest rates on the value of derivatives is described below:

	06/30/2020	
(in millions of euros)	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	€73.9m	€0.6m
Impact of a (1)% change in interest rates	-€80.3m	-€0.4m

The Covid-19 crisis has had no impact on this risk and has even pushed any interest rate hikes that had been anticipated by the market further into the future.

5.2.3. Currency risk

Since the Group does not enter into any foreign currency transactions, it is not exposed to currency risk.

5.2.4. Credit risk

In the course of its business, the Group is exposed to two major types of counterparties: financial institutions and its tenants.

Regarding financial institutions, credit and/or counterparty risk relates to cash and cash equivalents, and to the banks where they are deposited. The investments chosen have maturities of less than one year with a very low risk profile. They are monitored daily and a regular review of authorised investments complements the control process. Additionally, in order to limit its counterparty risk, the Group only deals in interest rate derivatives with banking institutions which help fund its expansion. Furthermore, the Group only enters into financial transactions with major banking institutions and applies a principle of risk dispersion, avoiding concentration of exposure to any single counterparty. These principles are set out in the Bank Counterparty Risk Policy implemented by Icade's Finance Department. The Covid-19 crisis has not resulted in any heightened risk factors being identified in this respect.

Regarding its tenants, the Group believes that it is not exposed to significant credit risk thanks to its diversified tenant portfolio in terms of location and individual size of lease commitments. In addition, the Group has introduced procedures to verify the creditworthiness of tenants prior to signing leases. For the Property Investment business, a customer solvency analysis is carried out and, for the Property

Development business, a check is made on the financing of insurance and guarantees. Lastly, for the Healthcare Property Investment business, the tenants' parent companies guarantee payment of any amount owed by them. These procedures are subject to regular monitoring.

The Group's exposure to credit risk corresponds primarily to the net carrying amount of receivables less deposits received from tenants, i.e. €293.7 million as of June 30, 2020, compared with €379.1 million as of December 31, 2019.

The impact of the economic crisis triggered by the Covid-19 pandemic on the Group's exposure to default risk on the part of its tenants as of June 30, 2020 is set out in note 2.1 "Covid-19 crisis" to the financial statements.

5.2.5. Covenants and financial ratios

In addition, the Group is required to comply with the financial covenants listed below, which are covered by the Group's financial risk monitoring and management processes.

		Covenants	06/30/2020
LTV bank covenant	Maximum	from < 52% to < 70%	43.3%
ICR	Minimum	> 2	5.18x
CDC's stake	Minimum	34%	39.26%
Value of the property portfolio [(a)]	Minimum	From > €2bn to > €7bn	€14.4bn
Debt from property development subsidiaries/consolidated gross debt	Maximum	< 20%	1.7%
Security interests in assets	Maximum	< 20% of the property portfolio	9.6%

(a) Around 20% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €2 billion, 10% of the debt has a limit of €5 billion and the remaining 70% has a limit of €7 billion.

Loans taken out by the Group may be subject to covenants based on financial ratios—loan-to-value (LTV) ratio and interest coverage ratio (ICR)—and to a clause on the level of control by Caisse des dépôts, the Group's major shareholder, which may trigger early repayment. All covenants were met as of June 30, 2020.

As of June 30, 2020, Caisse des dépôts held 39.26% of voting rights and a 39.58% stake in Icade SA.

LTV bank covenant

The LTV (loan-to-value) bank covenant, which is the ratio of net financial liabilities to the latest valuation of the property portfolio excluding duties, stood at 43.3% as of June 30, 2020 (compared with 42.0% as of December 31, 2019).

Interest coverage ratio (ICR)

The interest coverage ratio, which is the ratio of EBITDA plus the Group's share of net profit/(loss) of equity-accounted companies to the interest expense for the period, was 5.18x as of June 30, 2020 (5.84x as of June 30, 2019). The ratio remains at a high level, demonstrating the Company's ability to comfortably comply with its bank covenants.

5.3. Fair value of financial assets and liabilities

5.3.1. Reconciliation of the net carrying amount and fair value of financial assets and liabilities

Below is the reconciliation of the net carrying amount and fair value of financial assets and liabilities as of June 30:

(in millions of euros)	Carrying amount as of 06/30/2020	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2020
ASSETS					
Financial assets	126.9	99.4	-	27.5	126.9
Derivative instruments	7.0	7.0	-	-	7.0
Contract assets	236.8	236.8	-	-	236.8
Accounts receivable	353.0	353.0	-	-	353.0
Other operating receivables (a)	43.3	43.3	-	-	43.3
Cash equivalents	119.4	-	-	119.4	119.4
TOTAL FINANCIAL ASSETS	**886.3**	**739.4**	**-**	**146.9**	**886.3**
LIABILITIES					
Financial liabilities	7,191.7	7,191.7	-	-	7,163.5
Lease liabilities	65.5	65.5	-	-	65.5
Other financial liabilities	72.3	72.3	-	-	72.3
Derivative instruments	76.3	-	76.0	0.3	76.3
Contract liabilities	37.6	37.6	-	-	37.6
Accounts payable	487.4	487.4	-	-	487.4
Other operating payables (a)	356.9	356.9	-	-	356.9
TOTAL FINANCIAL LIABILITIES	**8,287.8**	**8,211.4**	**76.0**	**0.3**	**8,259.5**

(a) Excluding agency transactions, prepaid expenses/income and social security and tax receivables/payables.

5.3.2. Fair value hierarchy of financial instruments

The financial instruments whose fair value is determined using a valuation technique based on non-observable data are investments in unconsolidated, unlisted companies.

As of June 30, 2020, the Group's financial instruments consisted of:

- Derivative assets and liabilities measured based on observable data (level 2 of the fair value hierarchy);
- Financial assets at fair value through profit or loss, measured based on market data not directly observable (level 3 of the fair value hierarchy);
- Cash equivalents (level 1 of the fair value hierarchy).

As of June 30, 2020, the Group did not hold any financial instruments measured based on unadjusted prices quoted in active markets for identical assets or liabilities (level 1 of the fair value hierarchy).

Below is a summary table of the fair value hierarchy of financial instruments as of June 30, 2020:

		06/30/2020			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on non-observable data	Fair value
ASSETS					
Financial assets at fair value through profit or loss	5.1.5	-	-	27.5	27.5
Cash equivalents	5.1.6	119.4	-	-	119.4
LIABILITIES					
Derivative instruments	5.1.3	-	76.3	-	76.3

Note 6. Equity and earnings per share

6.1. Share capital and shareholding structure

6.1.1. Share capital

As of June 30, 2020, the share capital was unchanged compared to December 31, 2019 at €113.6 million and consisted of 74,535,741 ordinary shares. All the shares issued are fully paid up.

As of June 30, 2020, no shares registered directly with the Company (not with an agent of Icade) were pledged.

6.1.2. Shareholding structure

The Company's shareholding structure (number of shares and percentage of share capital) as of June 30, 2020 and December 31, 2019 was as follows.

	06/30/2020		12/31/2019	
Shareholders	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts (a)	29,265,924	39.26%	28,895,618	38.77%
Crédit Agricole Assurances Group (b)	14,137,510	18.97%	14,137,510	18.97%
Icamap Investments S.à r.l / GIC Pte Ltd / Future Fund Board of Guardians acting in concert (c)			3,794,708	5.09%
Public	30,343,166	40.71%	26,948,876	36.16%
Employees	185,600	0.25%	164,998	0.22%
Treasury shares	603,541	0.81%	594,031	0.80%
TOTAL	**74,535,741**	**100.0%**	**74,535,741**	**100.0%**

(a) In a letter dated April 7, 2020, Caisse des dépôts et consignations notified that its holding exceeded the threshold provided for in Icade's Articles of Association of 39% of its share capital and voting rights.

(b) Number of shares held last notified to the Company as of December 31, 2019.

(c) Holding included in the "Public" category as of June 30, 2020: in a letter received on February 21, 2020, Icamap Investments S.à r.l., GIC Private Limited and Future Fund Board of Guardians notified that, while acting in concert, their holding fell below the threshold of 5% of Icade's share capital and voting rights.

6.2. Dividends

	Dividends paid as of	
(in millions of euros)	06/30/2020	12/31/2019
Payment to Icade SA shareholders for financial year N-1 (a)		
- Final or interim dividends deducted from tax-exempt fiscal profit (in accordance with the SIIC tax regime)	178.2	287.5
- Final or interim dividends deducted from profit taxable at the ordinary rate		52.5
Total dividend	**178.2**	**340.0**

(a) The dividend of €4.01 per share approved by Icade's General Meeting held on April 24, 2020 was paid on July 8, 2020 after deduction of the interim dividend of €2.41 per share paid on March 6, 2020, for a total of €118.3 million.

Dividends per share distributed in the financial years 2020 and 2019 in respect of profits for 2019 and 2018 were €4.01 and €4.60, respectively.

6.3. Earnings per share

Below are the detailed figures for basic and diluted earnings per share as of June 30, 2020, and December 31, 2019:

6.3.1. Basic earnings per share

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
Net profit/(loss) attributable to the Group from continuing operations	5.2	44.0	297.7
Net profit/(loss) attributable to the Group from discontinued operations	-	2.9	2.5
Net profit/(loss) attributable to the Group	**5.2**	**47.0**	**300.2**
Opening number of shares	74,535,741	74,535,741	74,535,741
Average number of treasury shares outstanding	(597,462)	(588,856)	(605,039)
Weighted average undiluted number of shares (a)	**73,938,279**	**73,946,885**	**73,930,702**
Net profit/(loss) attributable to the Group from continuing operations per share (in €)	€0.07	€0.60	€4.03
Net profit/(loss) attributable to the Group from discontinued operations per share (in €)	-	€0.04	€0.03
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO THE GROUP (in €)	**€0.1**	**€0.6**	**€4.1**

(a) The weighted average undiluted number of shares is the number of shares at the start of the period plus, as the case may be, the average number of shares related to the capital increase less the average number of treasury shares outstanding.

6.3.2. Diluted earnings per share

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
Net profit/(loss) attributable to the Group from continuing operations	5.2	44.0	297.7
Net profit/(loss) attributable to the Group from discontinued operations	-	2.9	2.5
Net profit/(loss)	**5.2**	**47.0**	**300.2**
Weighted average undiluted number of shares	73,938,279	73,946,885	73,930,702
Impact of dilutive instruments (stock options and bonus shares)	54,739	78,853	81,573
Weighted average diluted number of shares (a)	**73,993,018**	**74,025,738**	**74,012,275**
Diluted net profit/(loss) attributable to the Group from continuing operations per share (in €)	€0.07	€0.60	€4.02
Diluted net profit/(loss) attributable to the Group from discontinued operations per share (in €)	-	€0.04	€0.03
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE GROUP (in €)	€0.07	€0.63	€4.06

(a) The weighted average diluted number of shares is the weighted average undiluted number of shares adjusted for the impact of dilutive instruments (stock options and bonus shares).

Note 7. Operational information

7.1. Revenue

The Group's revenue breaks down as follows:

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
REVENUE	**622.0**	**678.5**	**1,522.9**
Including lease income from operating and finance leases:			
- Office Property Investment	187.2	186.7	371.6
- Healthcare Property Investment	149.2	129.3	270.2
Including construction and off-plan sale contracts from Property Development	270.6	356.2	882.0

Service charges from investment property are presented net of recharges to tenants in the "Outside services" line of the consolidated income statement, meaning that they consist of service charges that are non-recoverable or that have not been recovered due to vacant space. Service charges recharged to tenants were as follows for both Property Investment Divisions:

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
Office Property Investment	57.1	55.0	110.0
Healthcare Property Investment	12.5	11.5	24.6
SERVICE CHARGES RECHARGED TO TENANTS	**69.6**	**66.6**	**134.7**

7.2. Components of the working capital requirement

The working capital requirement consists primarily of the following items:

- Inventories and work in progress, accounts receivable, contract assets and miscellaneous receivables on the asset side of the consolidated statement of financial position;
- Accounts payable, contract liabilities and miscellaneous payables on the liability side of the consolidated statement of financial position.

7.2.1. Change in working capital requirement

The change in working capital requirement from operating activities in the consolidated cash flow statement can be broken down by segment as follows:

(in millions of euros)	06/30/2020	12/31/2019
Office Property Investment	22.8	39.6
Healthcare Property Investment	(17.4)	(0.9)
Property Development	47.9	(53.4)
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	**53.3**	**(14.7)**

The +€53.3 million change in working capital requirement as of June 30, 2020 is mainly attributable to:

- An increase in accounts payable and other payables for a total of €17.2 million and in accounts receivable and other receivables for a total of €11.9 million for the Property Investment Division;
- A decrease in accounts payable and other payables for a total of €200.9 million and in inventories and receivables for a total of €248.8 million for the Property Development Division.

7.2.2. Inventories and work in progress

Changes in inventories in H1 2020 were as follows:

	Property Development				Office Property Investment	
(in millions of euros)	Land bank	Work in progress	Unsold completed units	Total		Total
Gross value	121.9	434.9	22.8	579.5	0.8	580.4
Impairment loss	(9.1)	(6.6)	(1.6)	(17.3)	-	(17.3)
Net value as of 12/31/2019	**112.8**	**428.3**	**21.2**	**562.3**	**0.8**	**563.1**
Gross value	95.6	399.4	22.2	517.2	0.8	518.1
Impairment loss	(9.1)	(6.9)	(1.5)	(17.6)	-	(17.6)
Net value as of 06/30/2020	**86.5**	**392.5**	**20.7**	**499.7**	**0.8**	**500.5**

7.2.3. Accounts receivable and contract assets and liabilities

Changes in accounts receivable in H1 2020 were as follows:

(in millions of euros)	12/31/2019	Change for the period	Net change in impairment losses recognised in the income statement	06/30/2020
Construction contracts (advances from customers)	10.2	25.6		35.8
Advances, down payments and credit notes to be issued	1.9	(0.1)		1.8
CONTRACT LIABILITIES	**12.1**	**25.5**	-	**37.6**
Construction contracts	327.3	(90.5)	-	236.8
CONTRACT ASSETS – NET VALUE	**327.3**	**(90.5)**	**-**	**236.8**
Accounts receivable – operating leases	219.1	45.1		264.1
Financial accounts receivable – finance leases	77.4	(0.8)		76.6
Accounts receivable from ordinary activities	88.0	(35.0)		53.0
Accounts receivable – Gross value	**384.5**	**9.3**		**393.8**
Impairment of receivables from leases	(34.1)	-	(1.8)	(35.9)
Impairment of receivables from ordinary activities	(5.8)	-	0.9	(4.9)
Accounts receivable – Impairment	**(39.9)**	**-**	**(0.9)**	**(40.8)**
ACCOUNTS RECEIVABLE – NET VALUE	**344.5**	**9.3**	**(0.9)**	**353.0**

Note 8. Other non-current assets

8.1. Equity-accounted investments

8.1.1. Change in equity-accounted investments

In the consolidated statement of financial position, the change in "Equity-accounted investments" between December 31, 2019 and June 30, 2020 broke down as follows:

	06/30/2020			12/31/2019		
(in millions of euros)	Joint ventures	Associates	Total equity-accounted companies	Joint ventures	Associates	Total equity-accounted companies
OPENING SHARE IN NET ASSETS	132.0	0.0	132.1	139.5	0.2	139.7
Share of profit/(loss)	(6.2)	0.1	(6.1)	(10.2)	(0.6)	(10.7)
Dividends paid	6.1	0.5	6.6	(5.9)	0.3	(5.6)
Impact of changes in scope of consolidation and capital	2.9	-	2.9	8.7	-	8.7
CLOSING SHARE IN NET ASSETS	**134.8**	**0.6**	**135.4**	**132.0**	**0.1**	**132.1**

8.1.2. Information on joint ventures and associates

Key information on the income statement of joint ventures is presented below (on a proportionate consolidation basis for the relevant companies). Associates are immaterial to the Group.

	06/30/2020			06/30/2019			12/31/2019		
(in millions of euros)	Office Property Investment	Property Development	Total	Office Property Investment	Property Development	Total	Office Property Investment	Property Development	Total
Revenue	4.1	16.5	20.6	3.5	23.9	27.4	6.7	65.7	72.4
EBITDA	0.4	0.6	1.0	(0.1)	0.4	0.3	1.1	3.1	4.2
Operating profit/(loss)	(6.5)	0.6	(5.9)	(7.7)	0.5	(7.2)	(12.3)	3.1	(9.2)
Finance income/(expense)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.2)	(0.2)	(0.4)	(0.6)
Income tax	-	(0.1)	(0.1)	-	(0.1)	(0.1)	-	(0.4)	(0.4)
NET PROFIT/(LOSS)	**(6.6)**	**0.4**	**(6.2)**	**(7.8)**	**0.3**	**(7.5)**	**(12.5)**	**2.3**	**(10.2)**
including depreciation net of government grants	(3.9)	-	(3.9)	(3.5)	-	(3.5)	(7.2)	-	(7.2)

8.2. Goodwill

	06/30/2020			12/31/2019		
(in millions of euros)	Office Property Investment	Property Development (a)	Total	Office Property Investment	Property Development (a)	Total
GOODWILL	**3.0**	**42.3**	**45.3**	**3.0**	**42.3**	**45.3**

(a) Relates to the Residential Property Development business

As explained in note 2.1 "Covid-19 crisis", a goodwill impairment test was performed on cash-generating units (CGUs). It indicated no impairment that needed to be recognised at the reporting date of June 30, 2020 as the recoverable amount of these CGUs remained greater that their carrying amount as of that date.

The recoverable amount of the Residential Property Development CGU equalled its fair value as of June 30, 2020 estimated using a DCF approach. The fair value was determined by an independent valuer based on the existing business plan as of December 31, 2019 after adjusting 2020 cash flows to account for the effects of the crisis and a 9.5% discount rate (vs. 8.3% as of December 31, 2019). This rate includes an additional risk premium that reflects the increased uncertainty about whether the current business plan can be carried out.

Note 9. Income tax

9.1. Tax expense

The tax expense is detailed in the table below:

(in millions of euros)	06/30/2020	06/30/2019	12/31/2019
Tax expense (a)	5.1	(3.0)	(1.6)
Company value-added contribution (CVAE)	(3.2)	(3.5)	(6.5)
TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**1.9**	**(6.4)**	**(8.1)**

(a) Including net change in provisions for tax risks.

Note 10. Provisions and contingent liabilities

10.1. Provisions

Provisions as of June 30, 2020 were adequate to cover all identified risks regardless of their nature, particularly operational and financial risks.

(in millions of euros)	12/31/2019	Charges	Use	Reversals	Actuarial gains and losses	Reclassification	06/30/2020
Employee benefit liabilities	25.8	0.5	(0.5)	-	(1.1)	-	24.8
Onerous contract provisions	0.7	0.3	(0.1)	-	-	-	0.8
Other provisions	48.3	4.1	(2.7)	(1.9)	-	-	47.7
PROVISIONS FOR LIABILITIES AND CHARGES	**74.9**	**5.0**	**(3.3)**	**(1.9)**	**(1.1)**	**-**	**73.4**
Non-current provisions	32.0	0.5	(0.5)	-	(1.1)	-	31.0
Current provisions	42.8	4.4	(2.8)	(1.9)	-	-	42.4

10.2. Contingent liabilities

As of June 30, 2020, the Group was aware of no contingent liabilities likely to have a material effect on the Group's profits, financial position, assets or business.

Note 11. Other information

11.1. Off-balance sheet commitments

No other events occurred during H1 2020 that had a significant impact on off-balance sheet commitments.

11.2. Events after the reporting period

- On July 7, 2020, Icade Promotion signed a letter of understanding with CDC Habitat with respect to volumes and prices for the sale of over 1,000 residential units representing revenue of €200.7 million excluding taxes (nearly €185.0 million excluding taxes on a proportionate consolidation basis). They will be located throughout France and combine social, intermediate and open-market housing. The final sale agreement for around half of these units is expected to be signed this year;

- Through its Healthcare Property Investment Division, the Icade Group signed preliminary agreements with ORPEA in July 2020 to acquire a portfolio of nine nursing homes (eight in Germany, one in France) for a total of €145 million including duties.

11.3. Scope

The table below shows the list of companies included in the scope of consolidation as of June 30, 2020 and the consolidation method used ("full" for "full consolidation" or "equity" for "equity method").

Full = full consolidation
Equity = equity method

		06/30/2020			2019
Company name	**Legal form**	**% 2020 ownership interest**	**Joint ventures / Associates**	**Method of consolidation**	**% 2019 ownership interest**
OFFICE PROPERTY INVESTMENT					
ICADE SA	SA	Parent company		Full	
GIE ICADE MANAGEMENT	GIE	100.00		Full	100.00
BUSINESS PARKS					
BATI GAUTIER	SCI	100.00		Full	100.00
OFFICES					
PARC DU MILLENAIRE	SCI	100.00		Full	100.00
68 VICTOR HUGO	SCI	100.00		Full	100.00
PDM 1	SCI	100.00		Full	100.00
PDM 2	SCI	100.00		Full	100.00
ICADE LEO LAGRANGE (formerly VILLEJUIF)	SCI	100.00		Full	100.00
MESSINE PARTICIPATIONS	SCI	100.00		Full	100.00
MORIZET	SCI	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETS	SCI	100.00		Full	100.00
TOUR EQHO	SAS	51.00		Full	51.00
LE TOLBIAC	SCI	100.00		Full	100.00
SAS ICADE TMM	SAS	100.00		Full	100.00
SNC LES BASSINS À FLOTS	SNC	100.00		Full	100.00
SCI LAFAYETTE	SCI	54.98		Full	54.98
SCI STRATEGE	SCI	54.98		Full	54.98
SCI SILKY WAY	SCI	100.00		Full	100.00
SCI FUTURE WAY	SCI	50.55		Full	50.55
SCI NEW WAY	SCI	100.00		Full	100.00
SCI ORIANZ	SCI	65.31		Full	65.31
SCI FACTOR E.	SCI	65.31		Full	65.31
POINTE METRO 1	SCI	100.00		Full	100.00
OTHER ASSETS					
BASSIN NORD	SCI	50.00	Joint ventures	Equity	50.00
SCI BATIMENT SUD DU CENTRE HOSP PONTOISE	SCI	100.00		Full	100.00
SCI BSM DU CHU DE NANCY	SCI	100.00		Full	100.00
SCI IMMOBILIER HOTELS	SCI	77.00		Full	77.00
SCI BASILIQUE COMMERCE	SCI	51.00	Joint ventures	Equity	51.00
OTHER					
ICADE 3.0	SASU	100.00		Full	100.00
CYCLE-UP	SAS	50.00	Joint ventures	Equity	50.00
URBAN ODYSSEY	SAS	100.00		Full	

Company name	Legal form	06/30/2020 % 2020 ownership interest	Joint ventures / Associates	Method of consolidation	2019 % 2019 ownership interest
HEALTHCARE PROPERTY INVESTMENT					
FRANCE HEALTHCARE					
ICADE SANTÉ	SAS	56.84		Full	56.84
SCI TONNAY INVEST	SCI	56.84		Full	56.84
SCI PONT DU CHÂTEAU INVEST	SCI	56.84		Full	56.84
SNC SEOLANES INVEST	SNC	56.84		Full	56.84
SCI SAINT AUGUSTINVEST	SCI	56.84		Full	56.84
SCI CHAZAL INVEST	SCI	56.84		Full	56.84
SCI DIJON INVEST	SCI	56.84		Full	56.84
SCI COURCHELETTES INVEST	SCI	56.84		Full	56.84
SCI ORLÉANS INVEST	SCI	56.84		Full	56.84
SCI MARSEILLE LE ROVE INVEST	SCI	56.84		Full	56.84
SCI GRAND BATAILLER INVEST	SCI	56.84		Full	56.84
SCI SAINT CIERS INVEST	SCI	56.84		Full	56.84
SCI SAINT SAVEST	SCI	56.84		Full	56.84
SCI BONNET INVEST	SCI	56.84		Full	56.84
SCI GOULAINE INVEST	SCI	56.84		Full	56.84
SA NCN ASSOCIÉS	SA	56.84		Full	56.84
SCI SOCIÉTÉ DU CONFLUENT	SCI	56.84		Full	56.84
SAS LE CHÂTEAU	SAS	56.84		Full	
INTERNATIONAL HEALTHCARE					
OPPCI ICADE HEALTHCARE EUROPE	SPPICAV	59.39		Full	59.39
SALUTE ITALIA - FUND	REIF	59.39		Full	59.39
SAS IHE Salud Ibérica	SAS	59.39		Full	59.39
SAS IHE GESUNDHEIT	SAS	59.39		Full	59.39
IHE RADENSLEBEN GmbH	GmbH	61.83		Full	61.83
IHE NEURUPPIN GmbH	GmbH	61.83		Full	61.83
IHE TREUENBRIETZEN GmbH	GmbH	61.83		Full	61.83
IHE ERKNER GmbH	GmbH	61.83		Full	61.83
IHE KYRITZ GmbH	GmbH	61.83		Full	61.83
IHE HENNIGSDORF GmbH	GmbH	61.83		Full	61.83
IHE COTTBUS GmbH	GmbH	61.83		Full	61.83
IHE BELZIG GmbH	GmbH	61.83		Full	61.83
IHE FRIEDLAND GmbH	GmbH	61.83		Full	61.83
IHE KLAUSA GmbH	GmbH	61.83		Full	61.83
IHE AUENWALD GmbH	GmbH	61.83		Full	61.83
KLT GRUNDBESITZ GmbH	GmbH	61.83		Full	61.83
ARN GRUNDBESITZ GmbH	GmbH	61.83		Full	61.83
BRN GRUNDBESITZ GmbH	GmbH	61.83		Full	61.83
IHE FLORA MARZINA GmbH	GmbH	61.83		Full	61.83
IHE KOPPENBERGS HOF GmbH	GmbH	61.83		Full	61.83
IHE LICHTENBERG GmbH	GmbH	61.83		Full	61.83
TGH GRUNDBESITZ GmbH	GmbH	61.83		Full	61.83
PROMENT BESITZGESELLSCHAFT mbH	GmbH	61.83		Full	61.83
IHE BREMERHAVEN GmbH	GmbH	61.83		Full	61.83
PROPERTY DEVELOPMENT					
RESIDENTIAL PROPERTY DEVELOPMENT					
SCI DU CASTELET	SCI	100.00		Full	100.00
SARL B.A.T.I.R. ENTREPRISES	SARL	100.00		Full	100.00
SCI LONGCHAMP CENTRAL FAC	SCI	-	Dissolution		100.00
ST CHARLES CHANCEL	SCI	100.00		Full	100.00
SARL FONCIERE ESPACE ST CHARLES	SARL	86.00		Full	86.00
MONTPELLIERAINE DE RENOVATION	SARL	86.00		Full	86.00
SCI ST CHARLES PARVIS SUD	SCI	58.00		Full	58.00
MSH	SARL	100.00		Full	100.00
SARL GRP ELLUL-PARA BRUGUIERE	SARL	100.00		Full	100.00

		06/30/2020			2019
Company name	Legal form	% 2020 ownership interest	Joint ventures / Associates	Method of consolidation	% 2019 ownership interest
SNC LE CLOS DU MONESTIER	SNC	100.00		Full	100.00
SCI LES ANGLES 2	SCI	75.50		Full	75.50
SCI CASTEL D'UZEGES	SCI	-	Dissolution		62.50
SNC MARINAS DEL SOL	SNC	100.00		Full	100.00
SCI LES BASTIDES D'UZEGES	SCI	-	Dissolution		62.50
SCI LES JARDINS D'HARMONY	SCI	100.00		Full	100.00
SNC MEDITERRANEE GRAND ARC	SNC	50.00	Joint ventures	Equity	50.00
SCI ROYAL PALMERAIE	SCI	100.00		Full	100.00
SCI LA SEIGNEURIE	SCI	62.50		Full	62.50
ICADE PROMOTION LOGEMENT	SAS	100.00		Full	100.00
CAPRI PIERRE	SARL	99.92		Full	99.92
SNC CHARLES	SNC	50.00	Joint ventures	Equity	50.00
SCI TERRASSE GARONNE	SCI	49.00	Joint ventures	Equity	49.00
SCI MONNAIE - GOUVERNEURS	SCI	70.00		Full	70.00
SCI ERSTEIN LA FILATURE 3	SCI	50.00	Joint ventures	Equity	50.00
SCI STIRING WENDEL	SCI	75.00		Full	75.00
STRASBOURG R. DE LA LISIERE	SCI	33.00	Joint ventures	Equity	33.00
SCI KEMBS	SCI	50.00	Joint ventures	Equity	50.00
SNC LES SYMPHONIES	SNC	66.70		Full	66.70
SCI LES PLEIADES	SCI	50.00	Joint ventures	Equity	50.00
SNC LA POSEIDON	SNC	100.00		Full	100.00
MARSEILLE PARC	SCI	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIERES	SARL	96.00		Full	96.00
LES ALPINES	SCI	-	Dissolution		100.00
SNC MONTBRILLAND	SNC	87.00		Full	87.00
SNC STE FOY - VALLON DES PRES	SNC	50.00	Joint ventures	Equity	50.00
SCI BRENIER	SCI	95.00		Full	95.00
SCI GERLAND ILOT 4	SCI	40.00	Joint ventures	Equity	40.00
PARC DU ROY D'ESPAGNE	SNC	50.00	Joint ventures	Equity	50.00
SCI JEAN DE LA FONTAINE	SCI	50.00	Joint ventures	Equity	50.00
SCI 101 CHEMIN DE CREMAT	SCI	50.00	Joint ventures	Equity	50.00
MARSEILLE PINATEL	SNC	50.00	Joint ventures	Equity	50.00
SNC 164 PONT DE SEVRES	SNC	65.00		Full	65.00
SCI LILLE LE BOIS VERT	SCI	50.00	Joint ventures	Equity	50.00
SCI LES LYS DE MARGNY	SCI	50.00	Joint ventures	Equity	50.00
SCI GARCHES 82 GRANDE RUE	SCI	50.00	Joint ventures	Equity	50.00
SCI RUEIL CHARLES FLOQUET	SCI	50.00	Joint ventures	Equity	50.00
SCI VALENCIENNES RESIDENCE DE L'HIPPODROME	SCI	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	Joint ventures	Equity	50.00
SCI BOULOGNE SEINE D2	SCI	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	Associates	Equity	13.21
BOULOGNE PARC B2	SCI	17.30	Associates	Equity	17.30
SCI Lieusaint Rue de Paris	SCI	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	Joint ventures	Equity	33.33
SCI CHATILLON AVENUE DE PARIS	SCI	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	Joint ventures	Equity	49.90
ESSEY LES NANCY	SCI	75.00		Full	75.00
SCI LE CERCLE DES ARTS – Housing	SCI	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00		Full	75.00

		06/30/2020			2019
Company name	Legal form	% 2020 ownership interest	Joint ventures / Associates	Method of consolidation	% 2019 ownership interest
LES ARCHES D'ARS	SCI	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE – Housing	SCI	37.50		Full	37.50
SCI LA JARDINERIE – Housing	SCI	37.50		Full	37.50
LES COTEAUX DE LORRY	SARL	50.00	Joint ventures	Equity	50.00
SCI LE PERREUX ZAC DU CANAL	SCI	72.50		Full	72.50
SCI Boulogne Ville A3 LA	SCI	17.40	Associates	Equity	17.40
SNC Nanterre MH17	SNC	50.00	Joint ventures	Equity	50.00
SNC SOISY Avenue KELLERMAN	SNC	50.00	Joint ventures	Equity	50.00
SNC ST FARGEAU HENRI IV	SNC	60.00		Full	60.00
SCI ORLEANS St JEAN LES CEDRES	SCI	49.00	Joint ventures	Equity	49.00
RUE DE LA VILLE	SNC	99.99		Full	99.99
BEAU RIVAGE	SCI	99.99		Full	99.99
33 RUE DE LA REPUBLIQUE	SCI	55.00		Full	55.00
RUE DU 11 NOVEMBRE	SCI	100.00		Full	100.00
RUE GUSTAVE PETIT	SCI	100.00		Full	100.00
RUE DEBLORY	SCI	100.00		Full	100.00
RUE DU MOULIN	SCI	100.00		Full	100.00
IMPASSE DU FORT	SCI	100.00		Full	100.00
SCI AVENUE DEGUISE	SCI	100.00		Full	100.00
LE GRAND CHENE	SCI	100.00		Full	100.00
DUGUESCLIN DEVELOPPEMENT	SAS	100.00		Full	100.00
DUGUESCLIN & ASSOCIES MONTAGNE	SAS	100.00		Full	100.00
BALCONS DU SOLEIL	SCI	40.00	Joint ventures	Equity	40.00
CDP THONON	SCI	33.33	Joint ventures	Equity	33.33
SCI RESID. SERVICE DU PALAIS	SCI	100.00		Full	100.00
SCI RESID. HOTEL DU PALAIS	SCI	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	Joint ventures	Equity	50.00
SNC URBAVIA	SNC	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00		Full	50.00
SCCV LES VILLAS DU PARC	SCCV	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00		Full	100.00
SCI SOPHIA PARK	SCI	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L'ESTAQUE	SCI	51.00		Full	51.00
ROUBAIX RUE DE L'OUEST	SCCV	50.00	Joint ventures	Equity	50.00
SCV CHATILLON MERMOZ FINLANDE	SCCV	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DES COSTIERES	SCI	60.00		Full	60.00
SCI CHAMPS S/MARNE RIVE GAUCHE	SCI	50.00	Joint ventures	Equity	50.00
SCI BOULOGNE SEINE D3 PP	SCI	33.33	Associates	Equity	33.33
SCI BOULOGNE SEINE D3 D1	SCI	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 E	SCI	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 DEF COMMERCES	SCI	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCES	SCI	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	Associates	Equity	16.94
SCCV SAINTE MARGUERITE	SCCV	50.00	Joint ventures	Equity	50.00
SNC ROBINI	SNC	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DU SABLASSOU	SCI	50.00	Joint ventures	Equity	50.00
SCCV LES PATIOS D'OR - GRENOBLE	SCCV	80.00		Full	80.00
SCI DES AUBEPINES	SCI	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70		Full	66.70
SCI PLESSIS LEON BLUM	SCI	80.00		Full	80.00
SCCV RICHET	SCCV	100.00		Full	100.00
SCI BOULOGNE PARC B4B	SCI	20.00	Associates	Equity	20.00
SCI ID	SCI	53.00		Full	53.00

Company name	Legal form	06/30/2020 % 2020 ownership interest	Joint ventures / Associates	Method of consolidation	2019 % 2019 ownership interest
SNC PARIS MACDONALD PROMOTION	SNC	100.00		Full	100.00
RESIDENCE LAKANAL	SCCV	50.00	Joint ventures	Equity	50.00
COEUR DE VILLE	SARL	70.00		Full	70.00
SCI CLAUSE MESNIL	SCCV	50.00	Joint ventures	Equity	50.00
ROUEN VIP	SCCV	100.00		Full	100.00
OVALIE 14	SCCV	80.00		Full	80.00
SCCV VILLA ALBERA	SCCV	50.00	Joint ventures	Equity	50.00
SCI ARKADEA LA ROCHELLE	SCI	100.00		Full	100.00
SCCV FLEURY MEROGIS LOT1.1	SCCV	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT1.2	SCCV	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT3	SCCV	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00		Full	65.00
SCCV CERGY - LES PATIOS D'OR	SCCV	80.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	Joint ventures	Equity	50.00
SEP COLOMBES MARINE	SEP	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY - L'OREE DU BOIS	SCI	80.00		Full	80.00
SCI BONDOUFLE - LES PORTES DE BONDOUFLE	SCI	80.00		Full	80.00
SCCV ECOPARK	SCCV	90.00		Full	90.00
SCI FI BAGNOLET	SCI	90.00		Full	90.00
SCI ARKADEA TOULOUSE LARDENNE	SCI	100.00		Full	100.00
SCCV 25 BLD ARMEE DES ALPES	SCCV	50.00	Joint ventures	Equity	50.00
SCCV HORIZON PROVENCE	SCCV	58.00		Full	58.00
SARL DOMAINE DE FAHAM	SARL	-	Dissolution		51.00
SCI ARKADEA LYON CROIX ROUSSE	SCI	70.00	Joint ventures	Equity	70.00
SCCV SETE - QUAI DE BOSC	SCCV	90.00		Full	90.00
SCI SAINT FARGEAU CENTRE	SCI	70.00		Full	70.00
SCCV RIVES DE SEINE - BOULOGNE YC2	SCCV	80.00		Full	80.00
SCI BLACK SWANS	SCI	85.00		Full	85.00
SCCV CANAL STREET	SCCV	100.00		Full	100.00
SCCV BLACK SWANS TOUR B	SCCV	85.00		Full	85.00
SCCV ORCHIDEES	SCCV	51.00		Full	51.00
SCCV MEDICADE	SCCV	80.00		Full	80.00
SCI PERPIGNAN LESAGE	SCI	50.00	Joint ventures	Equity	50.00
SNC TRIGONES NIMES	SCI	49.00	Joint ventures	Equity	49.00
SCCV BAILLY CENTRE VILLE	SCCV	50.00	Joint ventures	Equity	50.00
SCCV MONTLHERY LA CHAPELLE	SCCV	100.00		Full	100.00
SCI ARKADEA MARSEILLE SAINT VICTOR	SCI	51.00	Joint ventures	Equity	51.00
SCCV SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00		Full	70.00
SCCV CARENA	SCCV	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00		Full	85.00
SCCV TOURS RESIDENCE SENIOR MELIES	SCCV	99.96		Full	99.96
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00		Full	60.00
SCI CAPITAINE BASTIEN	SCI	80.00		Full	80.00
SCCV THERESIANUM CARMELITES	SCCV	65.00		Full	65.00
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	Joint ventures	Equity	50.00
SCI LILLE WAZEMMES	SCI	50.00	Joint ventures	Equity	50.00
SCCV ANTONY	SCCV	100.00		Full	100.00
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00		Full	65.00
SCI ST ANDRE LEZ LILLE - LES JARDINS DE TASSIGNY	SCI	50.00	Joint ventures	Equity	50.00
SCCV CARIVRY	SCCV	51.00		Full	51.00
SCCV L'ETOILE HOCHE	SCCV	60.00		Full	60.00
SCCV LES PINS D'ISABELLA	SCCV	49.90	Joint ventures	Equity	49.90
SCCV LES COTEAUX LORENTINS	SCCV	100.00		Full	100.00
SCCV ROSNY 38-40 JEAN JAURES	SCCV	100.00		Full	100.00

Company name	Legal form	06/30/2020 % 2020 ownership interest	Joint ventures / Associates	Method of consolidation	2019 % 2019 ownership interest
SCCV CARETTO	SCCV	51.00		Full	51.00
SCCV MASSY CHATEAU	SCCV	50.00		Full	50.00
SCCV MASSY PARC	SCCV	50.00	Associates	Equity	50.00
SCCV NEUILLY S/MARNE QMB 10B	SCCV	44.45		Full	44.45
SCCV VITA NOVA	SCCV	70.00		Full	70.00
SCCV NEUILLY S/MARNE QMB 1A	SCCV	44.45	Associates	Equity	44.45
SCCV LE RAINCY RSS	SCCV	50.00	Joint ventures	Equity	50.00
SCCV LE MESNIL SAINT DENIS SULLY	SCCV	90.00		Full	90.00
SCCV 1-3 RUE D'HOZIER	SCCV	45.00	Joint ventures	Equity	45.00
SCCV CUGNAUX - LEO LAGRANGE	SCCV	50.00	Joint ventures	Equity	50.00
SCCV COLOMBES MARINE LOT A	SCCV	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT B	SCCV	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT D	SCCV	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT H	SCCV	25.00	Joint ventures	Equity	25.00
SCCV LES BERGES DE FLACOURT	SCCV	65.00		Full	65.00
SCCV LE PLESSIS-ROBINSON ANCIENNE POSTE	SCCV	75.00		Full	75.00
SCCV QUAI 56	SCCV	50.00	Joint ventures	Equity	50.00
SCCV CARE44	SCCV	51.00		Full	51.00
SCCV LE PIAZZA	SCCV	70.00		Full	70.00
SCCV ICAGIR RSS TOURS	SCCV	50.00	Joint ventures	Equity	50.00
SSCV ASNIERES PARC B8 B9	SCCV	50.00	Joint ventures	Equity	50.00
SSCV SAINT FARGEAU 82-84 Avenue de Fontainebleau	SCCV	70.00		Full	70.00
SAS PARIS 15 VAUGIRARD LOT A	SAS	50.00	Joint ventures	Equity	50.00
SCCV PARIS 15 VAUGIRARD LOT C	SCCV	50.00	Joint ventures	Equity	50.00
SCCV SARCELLES - RUE DU 8 MAI 1945	SCCV	51.00		Full	51.00
SCCV SARCELLES - RUE DE MONTFLEURY	SCCV	51.00		Full	51.00
SCCV MASSY PARC 2	SCCV	50.00	Associates	Equity	50.00
SCCV CANTEROUX	SCCV	50.00		Full	50.00
SCCV SOHO	SCCV	51.00		Full	51.00
SCCV IPK NIMES CRESPON	SCCV	51.00		Full	51.00
SCCV BEARN	SCCV	65.00		Full	65.00
SCCV ASNIERES PARC B2	SCCV	50.00	Joint ventures	Equity	50.00
SCCV PERPIGNAN AVENUE D'ARGELES	SCCV	50.00	Joint ventures	Equity	50.00
SCCV 117 AVENUE DE STRASBOURG	SCCV	70.00		Full	70.00
SCCV MARCEL PAUL VILLEJUIF	SCCV	60.00		Full	60.00
SCCV MAISON FOCH	SCCV	40.00		Full	40.00
SCCV CHATENAY MALABRY LA VALLEE	SCCV	50.10		Full	50.10
SCCV LOT 2G2 IVRY CONFLUENCES	SCCV	51.00		Full	51.00
SCCV LA PEPINIERE	SCCV	100.00		Full	100.00
SCCV NICE CARRE VAUBAN	SCCV	95.00		Full	95.00
SNC IP1R	SNC	100.00		Full	100.00
SNC IP3M LOGT	SNC	100.00		Full	100.00
SCCV NGICADE MONTPELLIER OVALIE	SCCV	50.00		Full	50.00
SCCV MARCEL GROSMENIL VILLEJUIF	SCCV	60.00		Full	60.00
SCCV LILLE CARNOT LOGT	SCCV	50.00	Joint ventures	Equity	50.00
SCCV NORMANDIE LA REUNION	SCCV	65.00		Full	65.00
SCCV DU SOLEIL	SCCV	50.00	Joint ventures	Equity	50.00
SAS AILN DEVELOPPEMENT	SAS	25.00	Joint ventures	Equity	25.00
SCCV URBAT ICADE PERPIGNAN	SCCV	50.00	Joint ventures	Equity	50.00
SCCV DES YOLES NDDM	SCCV	75.00		Full	75.00
SCCV AVIATEUR LE BRIX	SCCV	50.00	Joint ventures	Equity	50.00
SARVILEP	SAS	100.00		Full	100.00
SCCV POMME CANNELLE	SCCV	60.00		Full	60.00
SCCV RS MAURETTES	SCCV	50.00	Joint ventures	Equity	50.00
SCCV BRON LA CLAIRIERE G3	SCCV	51.00	Joint ventures	Equity	51.00
SCCV BRON LA CLAIRIERE C1C2	SCCV	51.00	Joint ventures	Equity	51.00

Company name	Legal form	06/30/2020 % 2020 ownership interest	Joint ventures / Associates	Method of consolidation	2019 % 2019 ownership interest
SCCV BRON LA CLAIRIERE C3C4	SCCV	49.00	Joint ventures	Equity	49.00
SCCV BRON LA CLAIRIERE D1D2	SCCV	49.00	Joint ventures	Equity	49.00
SCCV ARGENTEUIL LES BUCHETTES	SCCV	100.00		Full	100.00
SAS MEUDON TASSIGNY	SAS	32.00	Joint ventures	Equity	40.00
SCCV LES RIVES DU PETIT CHER LOT 5B	SCCV	55.00	Joint ventures	Equity	55.00
SCCV URBAN IVRY 94	SCCV	100.00		Full	100.00
SCCV YNOV CAMBACERES	SCCV	51.00		Full	
SCCV DES RIVES DU PETIT CHER LOT 5	SCCV	55.00	Joint ventures	Equity	
SCCV DES RIVES DU PETIT CHER LOT 6	SCCV	55.00	Joint ventures	Equity	
SCCV MONTPELLIER SW	SCCV	70.00		Full	
SCCV LES JARDINS DE CALIX IPS	SCCV	100.00		Full	
SCCV BOUL DEVELOPPEMENT	SCCV	65.00		Full	
SCCV BILL DEVELOPPEMENT	SCCV	65.00		Full	
OFFICE PROPERTY DEVELOPMENT					
SAS AD2B	SAS	100.00		Full	100.00
SNC ICADE PROMOTION TERTIAIRE	SNC	100.00		Full	100.00
ICADLEO	SNC	-	Dissolution		66.67
PORTES DE CLICHY	SCI	50.00	Joint ventures	Equity	50.00
MONTROUGE CAP SUD	SCI	50.00	Joint ventures	Equity	50.00
SCCV SAINT DENIS LANDY 3	SCCV	50.00	Joint ventures	Equity	50.00
SNC GERLAND 1	SNC	50.00	Joint ventures	Equity	50.00
SNC GERLAND 2	SNC	50.00	Joint ventures	Equity	50.00
CITE SANITAIRE NAZARIENNE	SNC	60.00		Full	60.00
ICAPROM	SNC	45.00	Joint ventures	Equity	45.00
SCCV LE PERREUX CANAL	SCCV	100.00		Full	72.50
ARKADEA SAS	SAS	50.00	Joint ventures	Equity	50.00
CHRYSALIS DEVELOPPEMENT	SAS	35.00	Joint ventures	Equity	35.00
MACDONALD BUREAUX	SCCV	50.00	Joint ventures	Equity	50.00
SCI 15 AVENUE DU CENTRE	SCI	50.00	Joint ventures	Equity	50.00
SAS CORNE OUEST VALORISATION	SAS	25.00	Associates	Equity	25.00
SAS ICADE-FF-SANTE	SAS	65.00		Full	65.00
SCI BOURBON CORNEILLE	SCI	100.00		Full	100.00
SCI SEINE CONFLUENCES	SCI	50.00	Joint ventures	Equity	50.00
SCI ARKADEA FORT DE France	SCI	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	Joint ventures	Equity	50.00
SCCV OCEAN COMMERCES	SCCV	100.00		Full	100.00
SCCV SILOPARK	SCCV	50.00	Joint ventures	Equity	50.00
SCCV TECHNOFFICE	SCCV	50.00	Joint ventures	Equity	50.00
SARL LE LEVANT DU JARDIN	SARL	50.67		Full	50.67
SCI ARKADEA RENNES TRIGONNE	SCI	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	Joint ventures	Equity	65.00
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00		Full	51.00
SCCV LA VALBARELLE	SCCV	49.90	Joint ventures	Equity	49.90
SAS IMMOBILIER DEVELOPPEMENT	SAS	100.00		Full	100.00
SCCV HOTELS A1-A2	SCCV	50.00	Joint ventures	Equity	50.00
SCCV BUREAUX B-C	SCCV	50.00	Joint ventures	Equity	50.00
SCCV MIXTE D-E	SCCV	50.00	Joint ventures	Equity	50.00
SCCV CASABONA	SCCV	51.00		Full	51.00
SCCV GASTON ROUSSEL ROMAINVILLE	SCCV	75.00		Full	75.00
SNC IP2T	SNC	100.00		Full	100.00
SCCV TOURNEFEUILLE LE PIRAC	SCCV	90.00		Full	90.00
SCCV LES RIVES DU PETIT CHER LOT 0	SCCV	55.00	Joint ventures	Equity	55.00
SCCV LES RIVES DU PETIT CHER LOT 2	SCCV	55.00	Joint ventures	Equity	55.00
SCCV LES RIVES DU PETIT CHER LOT 3	SCCV	55.00	Joint ventures	Equity	55.00
SCCV LES RIVES DU PETIT CHER LOT 4	SCCV	55.00	Joint ventures	Equity	55.00
SCCV DES RIVES DU PETIT CHER LOT 1	SCCV	55.00	Joint ventures	Equity	

		06/30/2020			2019
Company name	Legal form	% 2020 ownership interest	Joint ventures / Associates	Method of consolidation	% 2019 ownership interest
OTHER PROPERTY DEVELOPMENT					
SARL DOMAINE DE LA GRANGE	SARL	51.00		Full	51.00
SNC DU PLESSIS BOTANIQUE	SNC	100.00		Full	100.00
SARL LAS CLOSES	SARL	50.00	Joint ventures	Equity	50.00
SNC DU CANAL ST LOUIS	SNC	100.00		Full	100.00
SNC MASSY VILGENIS	SNC	50.00		Full	50.00
SAS LE CLOS DES ARCADES	SAS	50.00	Joint ventures	Equity	50.00
SAS OCEAN AMENAGEMENT	SAS	49.00	Joint ventures	Equity	51.00
SNC VERSAILLES PION	SNC	100.00		Full	100.00
SAS GAMBETTA SAINT ANDRE	SAS	45.00	Joint ventures	Equity	45.00
SAS MONT DE TERRE	SAS	40.00	Joint ventures	Equity	40.00
SNC DU HAUT DE LA TRANCHEE	SNC	100.00		Full	100.00
SAS ODESSA DEVELOPPEMENT	SAS	51.00	Joint ventures	Equity	51.00
RUE CHATEAUBRIAND	SCI	100.00		Full	100.00
SAS WACKEN INVEST	SAS	51.00	Joint ventures	Equity	51.00
SAS DES RIVES DU PETIT CHER	SAS	50.00	Joint ventures	Equity	
SNC LH FLAUBERT	SNC	100.00		Full	
SCCV QUINCONCES	SCCV	33.33	Joint ventures	Equity	
SCCV RUEIL EDISON	SCCV	100.00		Full	

3. Statutory Auditors' review report on the 2020 half-year financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by shareholders' annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Icade SA, for the six months ended June 30th 2020;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements have been approved by the board of Directors on July 20th 2020 based on information available at that date regarding the evolving context of Covid-19's sanitary crisis and of difficulties to assess its impacts and prospects for the future. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to half-year financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements approved on 20th July 2020 subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 20th 2020

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Mazars
Eric Bulle	Gilles Magnan

Building for every future

Immeuble OPEN

27, rue Camille Desmoulins
92445 Issy-les-Moulineaux Cedex, France
Tel: +33 (0)1 41 57 70 00

www.icade.fr/en/